

Cabral Resources (CBS) - \$0.022/sh

Trading at cash backing. With ~\$6m in cash and a potential high grade (+65%) DSO hematite project in the Sincorá Area Bahia State, Brazil (north of Minas Gerais), CBS is a well positioned emerging iron ore junior. Bahia State remains relatively under explored and its infrastructure solutions is not controlled by the majors. There is a government-funded (FIOL) rail line which is under construction with an expected capacity of 45Mt for Iron Ore leading to a planned new port (Porto Sul). CBS has a POI for a 15Mtpa allocation once the line is completed (expected 2015/16). The alternate measure for infrastructure is via the FCA rail line, which lies within the Sincorá Area and is already operational leading to the Port of Aratu.

Investment view – Buy (Speculative), target \$0.05/sh. CBS is currently awaiting environmental permits (4 –6 months), that will allow an initial drilling program to be undertaken across the Sincorá Area which has currently shown high grade assay results from more than 60 surface samples.

Catalysts (1) Environmental approvals for drilling, regional exploration and geophysics results (2) maiden JORC resource estimate for Sincorá in 2014.