

Cabral readies for resource

Cabral Resources Ltd could release a maiden resource for its Sincora hematite DSO project in Brazil as early as September, regardless of whether the company receives its drilling permits in time.

The company has been bidding its time at Sincora – in the northern state of Bahia – by manually digging a series of research pits that managing director Michael Bogue said would provide enough information for the company to publish a maiden resource.

“We’ve been waiting on a drilling permit but meanwhile we’ve been doing manual research pits which will allow for a JORC-compliant resource in September,” Bogue said.

Cabral holds 1,195sq km of ground at Sincora but its focus has been restricted to a 67sq km blanket area that has shown potential for high-grade DSO hematite. Initial ground magnetometry surveying has been completed and the company has just finished the first 10 of 13 research pits it intends to dig on the project. The pits are dug by hand and then channel sampled according to the geology or up to 1m. Samples are then crushed and wet sieved before being sent for assaying.

“The research pits are good because they can give us a good understanding of miner-



Michael Bogue

alised structural controls, etc.” Bogue said. “The preliminary results have also been very encouraging, showing a lump-to-fine ratio of 67%:33%.”

He said the first round of assays had returned several intervals of plus-60% iron grades.

“This was without any beneficiation. Preliminary bench test results have shown the introduction of a simple 10-minute scrubbing process removes

many of the contaminants and improves the grade.”

Bogue said the results from the research pits would be enough to provide a “proof-of-concept” JORC-compliant resource as early as September.

With drill rigs set to be turning from September, Bogue said the company could move quickly into a PFS later in the year.

“We will look to launch the PFS and begin trial mining in the next 18 months,” he said.

The immediate goal is to prove up a resource capable of supporting a 300,000 tpa operation. Longer term, the company would like to expand to 1-2 mtpa, probably within three years of start-up.

“It is an ambitious plan but one that is realistic,” Bogue said.

His confidence comes in part from the in-

frastructure on offer in the region. Although not part of the well-known Iron Quadrangle, the Sincora area is well serviced by existing and planned infrastructure.

“We are in the fairly unique position of having two potential infrastructure solutions.”

Cabral has signed a protocol of intentions with Bahia State that gives it options up to 15 mtpa capacity on the publicly funded FIOCRON rail line and proposed Porto Sul port development, both scheduled for completion in 2016.

Until then, the company will continue to investigate access to the existing and operating FCA rail line leading to the Port of Aratu, which lies within the Sincora area. The distance from Sincora to port is 360km.

Bogue said funding Cabral’s ambitions would not prove a major obstacle given the strong contacts it has built across China.

“We have strong Chinese contacts, including an existing JV with China Railway Materials Commercial Corporation Group. We also have an established network of contacts across the steel, railway and heavy haulage industries.”

The company will also retain partnerships with local groups.

“My role really is to act as a conduit between Chinese and Brazilian capabilities,” Bogue said.