Cabral Gold issues annual update

Cabral Gold {TSX.V: CBR}

Provided a summary of the 2019 corporate highlights and accomplishments.

The Company continues to work towards unlocking the high-grade potential of its 100% owned Cuiu Cuiu Gold Project in Para, Brazil, and has made a number of new discoveries in 2019 on the project.

Cabral Gold reviews fiscal 2019 highlights

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Dr. Alan Carter reports

CABRAL GOLD REVIEWS 2019 ACCOMPLISHMENTS

Cabral Gold Inc. has provided a summary of the 2019 corporate highlights and accomplishments. As the Company continues to work towards unlocking the high-grade potential of its 100% owned Cuiu Cuiu Gold Project in Para, Brazil, it has made a number of new discoveries in 2019 on the project.

2019 Major Highlights:

- Completion of two separate diamond drill programs during 2019.
- Two new drill discoveries during H1 2019 at previously untested targets:
    - Machichie; 3.4m @ 36.9 g/t gold
    - Morro da Lua; 2.8m @ 19.5 g/t gold
- Infill drilling of high-grade zones with initial results:
    - Moreira Gomes; 7.6m @ 18.5 g/t gold
    - Additional results are currently pending
- Corporate social responsibility initiatives within the surrounding community of Cuiu Cuiu including the completion of a new freshwater borehole creating a new source of clean drinking water
- Closing of an over-subscribed C$3.4M private placement in July.
- Ongoing regional soil and auger sampling aimed at identifying sources of placer gold in drainages.

Statement from the President and CEO

Dr. Alan Carter, President and Chief Executive Officer, commented: *“I am very pleased with the progress that we made at Cuiu Cuiu during 2019. The focus of historic drilling at Cuiu Cuiu was on identifying large low-grade bulk-minable gold*

deposits, but we have now been able to clearly demonstrate that these zones of lower-grade mineralisation frequently form halos to structurally controlled zones of higher-grade (plus 10 g/t) gold mineralisation. The evidence from both of our 2019 drill programs suggests that these high-grade zones have both lateral and vertical continuity. I look forward to 2020 as we work towards defining a high-grade resource on the project and continue to explore its regional potential."

New Discoveries

In Q1 2019 a discovery of a significant new mineralised zone which remains open along strike and downdip was made at Machichie. Drill hole CC 182-19 returned 3.4m @ 36.9 g/t gold (see press release dated February 28, 2019). The Machichie target is located just 500m north of the MG deposit. MG is currently the second largest known gold deposit known at Cuiu Cuiu, with an Inferred resource of 8.6 million tonnes at 1.45 g/t gold (400,000 ounces of gold). The high-grade surface mineralisation and workings at Machichie extend over at least 750m in strike length and are coincident with a strong east-west-trending magnetic anomaly, resembling that of the MG deposit. The structure remains open along strike and at depth.

A new discovery was also made at Morro Da Lua in the northern part of Cuiu Cuiu where drill results returned 2.8m @ 19.5 g/t gold including 0.7m @ 70.3 g/t gold (see press release dated May 16, 2019). The Morro da Lua target is characterized by northeast- and east-west-trending magnetic features as well as a moderate gold-in-soil anomaly extending over an area of 1,500 metres east-west by 700 metres north-south. It is also the location of numerous historic shafts developed by garimpeiro miners, which were notable for producing a high proportion of samples with visible gold. Further drilling will

be required to establish the vertical and lateral continuity of these high-grade veins.

Infill Drilling

Cabral's strategy is to rapidly define an economic gold deposit at Cuiu Cuiu, and in the near term, define a high-grade resource by infill drilling of the high-grade zones within the existing deposits at MG and Central and the recent discovery at Machichie.

Of the 180 historic drill holes completed from 2008 to 2012, there are a total of 60 drill intercepts with gold values greater than 10 g/t gold. In September, the Company commenced the Phase II drill program which was designed to extend and confirm continuity of high-grade mineralised intercepts along strike and downdip at the existing Central and MG deposits.

Drilling from the Phase II program at Cuiu Cuiu has so far returned significant mineralised intercepts including 16.9m @ 9.6 g/t gold from 82.6 metres depth, including 7.6m @ 18.5 g/t gold from 91.9 metres depth in drill hole 199-19. These results lend further credence to the down-dip and along strike continuity of high-grade mineralisation at Cuiu Cuiu.

Regional Reconnaissance

An aggressive program of soil sampling was initiated in September of 2019 at the Cilmar target in the north-eastern part of the Cuiu Cuiu project aimed at identifying the source of gold in extensive alluvial workings, with a total of 934 soil samples collected. Elsewhere, regional reconnaissance

sampling has been conducted and is ongoing on several other targets within the Cuiu Cuiu concession area.

In addition, the Company purchased a mechanized auger drilling rig to complete deeper holes up to 30 metres depth in areas of post mineral cover at the Cilmar target and elsewhere at Cuiu Cuiu. This rig should significantly increase the speed and reduce the cost of the auger drilling program.

Corporate Social Responsibility

In December 2019, Cabral, with the assistance of Pronorte and Energold Drilling Brazil, drilled a new water borehole for the community of Cuiu Cuiu. This provided a new source of clean drinking water that will provide clean drinking water to the town. Cabral is committed to making a positive impact and bringing a long-lasting change to local families.

During 2019 Cabral continued to support a number of other initiatives in the community of Cuiu Cuiu including the sponsoring nursing and emergency care services to the residents who live without immediate access to health care. During the last five months of 2019 alone, Cabral treated 94 people in the community with 511 separate procedures. Other social services that were sponsored were the continued garbage removal service which Cabral initially implemented for the village.

Financing

In July 2019 the Company closed its over-subscribed non-brokered private placement financing through the issuance of

22,796,832 units at a price of $0.15 cents per unit for gross proceeds of $3,419,524. Each unit comprises of one common share of the Company and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share at a purchase price of $0.20 for a period of 12 months following closing of the private placement.

Officers and directors of Cabral subscribed in the private placement for a total of 1,966,667 units for gross proceeds of $345,000 representing 10.1% of the total gross proceeds raised.

Outlook for 2020

Additional drill results are expected to be released in the next few weeks from the Phase II drill program conducted during Q4 2019. Cabral is also planning additional diamond drilling during 2020 on the various high-grade zones defined at Cuiu Cuiu with the objective of defining a high-grade resource on the project in the near term. In addition to this work, Cabral is planning an aggressive regional exploration program to determine the source of placer gold mineralisation in several other areas with the Cuiu Cuiu project area, including the Cilmar area.

About Cabral Gold Inc.

The Company is a junior resource company and is engaged in the identification, exploration and development of mineral properties, with a primary focus on gold properties located in Brazil. The Company owns the Cuiu Cuiu gold project located in the Tapajos Region within the state of Para in northern

Brazil.

The Tapajos Gold Province is the site of the largest gold rush in Brazil’s history. Cuiu Cuiu was the largest garimpo in the Tapajos and produced an estimated 2Moz of placer gold historically.

Dr. Adrian McArthur, B.Sc. Hons, PhD. FAusIMM., a consultant to the Company as well as a Qualified Person as defined by National Instrument 43-101, supervised the preparation of the technical information in this news release.

We seek Safe Harbour.