

Cabral Gold Positive Prefeasibility Study at Cuiú Cuiú

Cabral Gold Inc. (TSX.V: CBR)

Announced a positive Prefeasibility Study (“PFS”) on the development of near-surface gold-in-oxide material at the Cuiú Cuiú gold district in Brazil.



Cabral Gold	TSX.V : CBR
Stage	Exploration
Metals	Gold
Market cap	C\$72 m @ 35c
Location	Tapajos, Para State, Brazil
Website	www.cabralgold.com

Cabral Gold Announces Positive Prefeasibility Study on the Gold-in-Oxide Starter Operation at the Cuiú Cuiú Gold Project, Brazil with After-Tax IRR of 47.3%

21st October 2024

Vancouver, British Columbia—(Newsfile Corp. – October 21, 2024) – **Cabral Gold Inc. (TSXV: CBR) (OTC Pink: CBGZF) (“Cabral” or the “Company”)** is pleased to announce a positive Prefeasibility Study (“PFS”) on the development of near-surface gold-in-oxide material at the Cuiú Cuiú gold district in Brazil. The PFS, which was led by Ausenco do Brasil Engenharia Ltda. (“Ausenco”) confirms the Cuiú Cuiú gold-in-oxide starter project provides a high return and a low capital entry point to mine gold at the prospective Cuiú Cuiú District.

Highlights

- Base Case after-tax IRR of 47.3% and after-tax NPV₅ of US\$25.2 million for an initial 720,000 tonne / yr starter operation using open-pit mining of oxidized gold mineralization and heap-leach processing, and assuming a gold price of US\$2,250 / oz
- In the case of the current Spot Gold¹ price – US\$2,710/oz, the IRR increases to 82.6% and the after-tax NPV₅ to US\$49.3 million
- The PFS has a 4.5-year mine life with strong cashflows in the early years and an 18-month payback²
- The initial in-pit resources have very favorable geometry due to the shallow and high-grade nature of the ore. The starter pit (planned for the first seven months) is expected to mine shallow, higher grades with a very good strip ratio, containing an estimated 418,000 tonnes of ore @ 1.38 g/t average gold grade³ with just 56,000 tonnes of waste
- Average annual gold production in the first 2 years of operation after commissioning is 19,700 ounces per year at an all-in sustaining cost (“AISC”) of US\$1,003 / oz
- Low development Capex of US\$ 37.4 million, including 10% allowance on most quantities and 20% Contingency
- Significant potential exists to add nearby resources of similar high-value oxidized mineralization with further step-out and infill drilling at the nearby Machichie and Machichie NE targets, where recent drilling returned 11m @ 33g/t gold

Beyond the attractive initial financial outcome, the project 1) provides future expansion options for gold-in-oxide production, 2) provides pre-stripping exposing the underlying

primary gold mineralization reducing future strip-ratios and mining costs, 3) establishes an initial operating platform to more easily transition into primary ore production, and 4) generates cash to fund an aggressive and sustained drilling program aimed at expanding the oxide resources as well as the larger underlying primary ore resource base at Cuiú Cuiú.

The company plans to immediately commence detailed engineering (“DE”) and financing activities with the objective of achieving an investment decision and financial close in Q2, 2025 with initial gold production targeted for mid-2026.

During the next six months the company plans to address further potential improvements identified in the course of the PFS and complete further shallow drilling which it expects will add new gold-in-oxide resources. These additions have the potential to materially increase the size, scope and mine life of the project.

Alan Carter, the President and CEO of Cabral commented,

“The PFS confirms an economically attractive starter heap-leach and open-pit mining operation targeting the weathered gold-in-oxide mineralization at Cuiú Cuiú and outlines a pathway for funding the evaluation and drill testing of numerous targets within the Cuiú Cuiú district.

“With capital expenditures of just US\$37.4 million and an average operating cash cost⁴ of \$1,154/oz of gold, the initial gold-in-oxide project is expected to generate strong

cashflows.

“This cash flow will be used to fund an aggressive program of drilling directed towards the company’s principal objective of expanding the much larger primary hard rock resource base and drill testing the numerous targets within the Cuiú Cuiú district.

The PFS has identified several areas that should further improve the projected financial returns. Meanwhile, further drilling could lead to significant growth of the gold-in-oxide resource base and hence the mine life.

“In particular, this may lead to additional Indicated resources from Machichie into the mine sequencing as well as the upgrading of Inferred resources at Central to the Indicated category for inclusion in the mine plan.

“The company now plans to move forward with the completion of detailed engineering work, further resource drilling, modelling designed to grow the resource base and securing the necessary project financing, allowing for an investment decision during Q2 2025.

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