Cabral Gold samples up to 12.3 g/t Au at Cilmar, Cuiu Cuiu

Cabral Gold Inc.(TSX.V: CBR)

Released the results from a series of surface rock and soil samples at the Cilmar target area and has provided an exploration update of the Cuiu Cuiu gold project in Brazil.

Numerous coarse nuggets have been recovered from drainages in the Cilmar area, which is located 7km NE of the MG gold deposit, and has never been previously explored or drill tested.

Cabral Gold samples up to 12.3 g/t Au at Cilmar

2020-07-23 07:11 ET – News Release

Mr. Alan Carter reports

CABRAL GOLD ZEROES IN ON SOURCE OF GOLD NUGGETS AT CILMAR TARGET AND PROVIDES EXPLORATION UPDATE AT CUIU CUIU

Cabral Gold Inc. has released the results from a series of surface rock and soil samples at the Cilmar target area and has provided an exploration update of the Cuiu Cuiu gold project in Brazil. Numerous coarse nuggets have been recovered from drainages in the Cilmar area, which is located 7 km NE of the MG gold deposit, and has never been previously explored or drill tested.

Highlights

Surface sampling aimed at identifying the source of numerous coarse angular gold nuggets in streams, has identified a number of drill targets in the Cilmar area Quartz-sulphide float boulders have been located in drainages 350 m WSW of the Cilmar nugget field, wherein 13 float samples ranged from 1.4 to 12.3 g/t gold (averaging 4.5 g/t gold). This area is coincident with a major structural intersection evident in the regional magnetic data.

A significant gold-in-soil anomaly has also been outlined immediately south of the nugget field and extends over at

least 1.8km in a NE direction.This work brings the number of new drill targets recently identified in the eastern part of the Cuiu Cuiu project area to three. Eight other targets outside the existing resource base already have high-grade drill intercepts including 3.4m @ 36.9 g/t, 2.8m @ 19.5 g/t, 27m @ 6.9 g/t and 39m @ 5.1 g/t gold Reconnaissance RC drilling is expected to commence during early August

Alan Carter, President &CEO stated *"the identification of the potential source of coarse gold nuggets recently recovered from streams in the Cilmar area has not been straightforward due to the presence of thick post-mineral cover. However, recent sampling has resulted in a number of good gold values in surface rock samples, which has consequently narrowed the search down to the point where we now have drill targets at Cilmar. The eastern part of the project area is turning out to be very prolific in terms of new high-grade targets and continues to support our belief that Cuiu Cuiu is an emerging district which contains multiple gold deposits. We look forward to the commencement of RC drilling on this target and other recently identified high grade targets in the next few weeks."*

Cilmar Target

The Cilmar target at Cuiu Cuiu is located in the northeastern part of the concession area approximately 7 km NE of the MG gold deposit and 10 km ENE of the Central gold deposit and 8 km N of the recently identified Alonso target where surface sampling returned gold values ranging from 11.6 – 200.3 g/t gold (see news release dated April 1, 2020).

The target area has never been previously explored. Numerous coarse angular gold nuggets (Figure 1) were recovered in 2019

from a 200 m interval within a N-S trending drainage. Efforts to locate the source of these nuggets have been hampered by thick overburden and post-mineral lake sediments up to 20 m thick.

During the last few months Cabral has reprocessed the airborne magnetic data from this part of the Cuiu Cuiu concession area, and recently received results from reconnaissance soil sampling, shallow auger sampling and rock float sampling completed during Q1 2020. This work has revealed that the Cilmar nugget field is located at the intersection of two major regional structures, an ENE trending structure and a NW feature (Figures 2 and 3). The latter is parallel to the main TZ regional structural zone which controls all of the known deposits in the region.

Of even greater significance is the fact that quartz-sulphide boulders have been identified 350m WSW of the nugget field indicating the presence of an ENE trending mineralised structure that would explain the numerous gold nuggets in the stream. (Figure 3). A shallow auger hole completed 250m SW of the float samples intersected quartz veining and a value of 3.2 g/t gold from saprolitised bedrock. This is highly anomalous for an auger sample and further supports the presence of a concealed mineralised structure. Both the auger hole and the quartz-sulphide boulders occur within a coherent, low-level NE trending gold-in-soil anomaly extending over at least 1.8km. Figure 2: Regional 1VD magnetic map showing location of the Cilmar target relative to the existing deposits at MG and Central and recently identified high-grade undrilled targets at Alonso and Medusa, and targets with high-grade drill intercepts.

This initial reconnaissance work suggests the presence of at least one concealed mineralsed structure trending ENE and is considered to be a compelling drill target, and the potential source of the coarse angular gold nuggets in the stream. The Company expects to test this target, along with the recently

identified Alonso and Medusa targets from early August 2020.

Exploration and Covid-19 Update

The Company has recommenced field work at the Cuiu Cuiu project following the suspension of activities on April 1, 2020 due to the Covid-19 pandemic.

A number of protocols have been initiated concerning Covid-19, including the advance testing of all employees, and the Company continues to provide medical support and supplies (including masks and test-kits) to the community of Cuiu Cuiu.

Drilling using the recently acquired ASV ST-50 reverse circulation drill rig is expected to commence during early August and will initially focus on the recently identified high-grade Alonso and Medusa targets, then Cilmar, followed by other targets. The Company expects to provide additional details in advance of the commencement of the planned drill program.

Issuance of stock options

Cabral’s Board of Directors has approved the granting of stock options to various employees, directors and consultants pursuant to the Company’s stock option plan. The stock options entitle the holders to purchase a total of 3,405,000 common shares in the capital stock of the Company at a price of $0.27 per common share. The stock options are exercisable for five years and are subject to vesting over 24 months.

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 producing an estimated 30 to 50 million ounces of placer gold between 1978 and 1995. Cuiu Cuiu was the largest garimpo in the Tapajos and produced an estimate 2Moz of placer gold historically.

FOR FURTHER INFORMATION PLEASE CONTACT:

“Alan Carter”

President and Chief Executive Officer, Cabral Gold Inc.