Cabral updates on their exploration program and drilling plans at Cuiu Cuiu

Cabral Gold {TSX.V: CBR}

Announced they had completed soil sampling at their Cuiu Cuiu gold project in Para Para state, northern Brazil.

Cabral also announced a diamond drill program.

Cabral Gold completing soil sampling at Cuiu Cuiu

2019-09-12 06:09 ET – News Release

Mr. Alan Carter reports

CABRAL PROVIDES UPDATE ON EXPLORATION PROGRAM AND DRILLING PLANS AT CUIU CUIU

Cabral Gold Inc. has provided an update regarding the continuing exploration program at Cuiu Cuiu project, Para state, Brazil, and plans for further diamond drilling.

Highlights

- Soil sampling is currently in progress over the Cilmar target area aimed at identifying the source of gold in extensive alluvial workings, including numerous coarse angular gold nuggets. Nine hundred thirty-four soil samples have been collected so far.
- A mechanised auger drilling rig has been purchased in order to significantly increase the speed of the auger drilling program at Cuiu Cuiu.
- Energold has been selected as the drilling contractor to complete a program of diamond drilling at Cuiu Cuiu. This program will be directed toward the further definition of high-grade gold mineralisation at the Central and Moreira Gomes deposits and the recently discovered Machichie zone.

Cilmar target

Following the closing of the oversubscribed private placement

on July 25, 2019, the company initiated an aggressive program of soil sampling in the northeastern part of the Cuiu Cuiu project. This work is aimed at identifying the source of abundant placer gold, and in particular a coarse gold nugget population produced from streams. This area has been named the Cilmar target and is located 10 kilometres east of the Central gold deposit and seven km northeast of the Moreira Gomes gold deposit, and has never been previously explored.

A total of 934 soil samples have been collected from two areas at Cilmar to date and an additional 1,000 samples are expected to be collected over the coming weeks.

In addition, the company has purchased a mechanised auger drilling rig to complete deeper holes up to 30 m depth in areas of postmineral 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.

Dr. Alan Carter, president and chief executive officer, commented: *“A program of mechanised auger drilling has never been tried at Cuiu Cuiu and should shed significant light on the origin of the placer gold in the Cilmar area and other compelling regional magnetic targets that are shedding placer gold at Cuiu Cuiu, and which have never been previously drill tested such as Miraboa and Baixa Onca.”*

Separately, the company has hired Energold Drilling to complete the next program of diamond drilling at Cuiu Cuiu which is expected to commence by early October. This work will focus on further defining the high-grade zones within the

existing Central and MG gold deposits and the recently discovered Machichie zone where 3.4 m at 36.9 g/t was intersected in drilling (see press release dated Feb. 28).

Issuance of stock options and RSUs

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 2,575,000 common shares in the capital stock of the company at a price of 15 cents per common share. The stock options are exercisable for five years and are subject to vesting over 24 months.

Cabral's board of directors has also approved the granting of restricted share units (RSUs) to two non-executive directors pursuant to the company's RSU plan. Subject to any necessary or required approval of the TSX Venture Exchange, the RSUs entitle the holders to acquire a total of 266,666 common shares in the capital stock of the company. Fifty per cent of the RSUs will vest 18 months after the date of grant with the remainder vesting after 36 months.

Dr. Adrian McArthur, BSc, honours, 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.

Notes

Gold analysis has been conducted by SGS method FAA505 (fire assay of 50 g charge), with higher grade samples checked by

FAA525. Analytical quality is monitored by certified references and blanks. Until dispatch, samples are stored in the company’s supervised exploration office. The samples are couriered to the assay laboratory using a commercial contractor. Pulps and rejects are returned to the company and archived. Drilling results are reported as down-hole length weighted intersections.

We seek Safe Harbour.