

Cabral Gold Announces Auger Drilling Results from Cuiú Cuiú suggesting Central Mineralized Corridor may extend over 4km

Vancouver, British Columbia – July 5, 2018 – Cabral Gold Inc. (“Cabral” or the “Company”) (TSXV: CBR, USA: CBGZF) announces the initial results of an ongoing auger drilling program sampling saprolite within the Central – Pau de Merenda target corridor at the Cuiú Cuiú Project, Pará State, northern Brazil.

Highlights

- Recent saprolite (weathered bedrock) sampling by auger drilling and pitting beneath deep cover in the Central - Pau de Merenda target corridor returned highly anomalous results in both gold counts and geochemical analyses
- Individual top-of-saprolite samples returned peak values of **18.7 g/t Au**. Gold counts in places exceeded 100 per sample
- These results define a mineralized corridor extending for **a minimum of 4km** in a NW-SE direction (open along strike). The Central deposit, which contains 485,000oz (5.9MMt @ 0.9g/t Au + Inferred resources of 8.7MMt @ 1.1g/t Au), currently occupies the southeastern 1.2km of this 4km long anomaly

Background

The Cuiú Cuiú Project hosts the largest of the historical alluvial gold camps in the Tapajós region of northern Brazil, having yielded an estimated 2MMoz of gold from the overall 20-30MMoz gold produced during the Tapajós gold rush¹. Alluvial workings extend over 850ha on the property but are largely exhausted. The few remaining artisanal workers now process palaeo-valley placer deposits and in places exploit high-grade saprolite mineralization. The Company's current program is designed to evaluate newly identified prospects, to prioritize drill targets, and to build upon the existing resource inventory².

The Pau de Merenda – Central corridor is a NW-trending belt which parallels the trend of the Tocantinzinho Lineament, a major regional structure aligned with deposits such as Eldorado Gold Corporation's Tocantinzinho deposit and Serabi Gold plc's Palito underground mine. Cabral Gold's Central Deposit lies along this trend and is principally characterized by a stockwork vein system with wide-spread alteration extending 1.2km along strike and approximately 100m in width. The Central deposit currently contains 485,000oz or **Indicated Resources of 5.9MMt @ 0.9g/t Au + Inferred Resources of 8.7MMt @ 1.1g/t Au**.

Pau de Merenda is located along trend and 3km NW of the Central deposit and is defined by a corridor of demagnetization approximately 2,000 m long by 800m wide. An associated >100ppb gold-in-soil anomaly is centred around a NW-trending ridge flanked by extensive artisanal

¹ DNPM (National Department of Mining Production)

² Micon NI 43-101 resource estimate reported June 7 2018.

alluvial workings. Results from historical reconnaissance drilling in a small part of the area included 47.1m @ 1.8 g/t Au, 30.2m @ 1.1g/t Au and 8.5m @ 5.1 g/t Au. Until the current auger drilling program, the trends have not been well understood due to deep soil cover that partially masks the bedrock geochemical response.

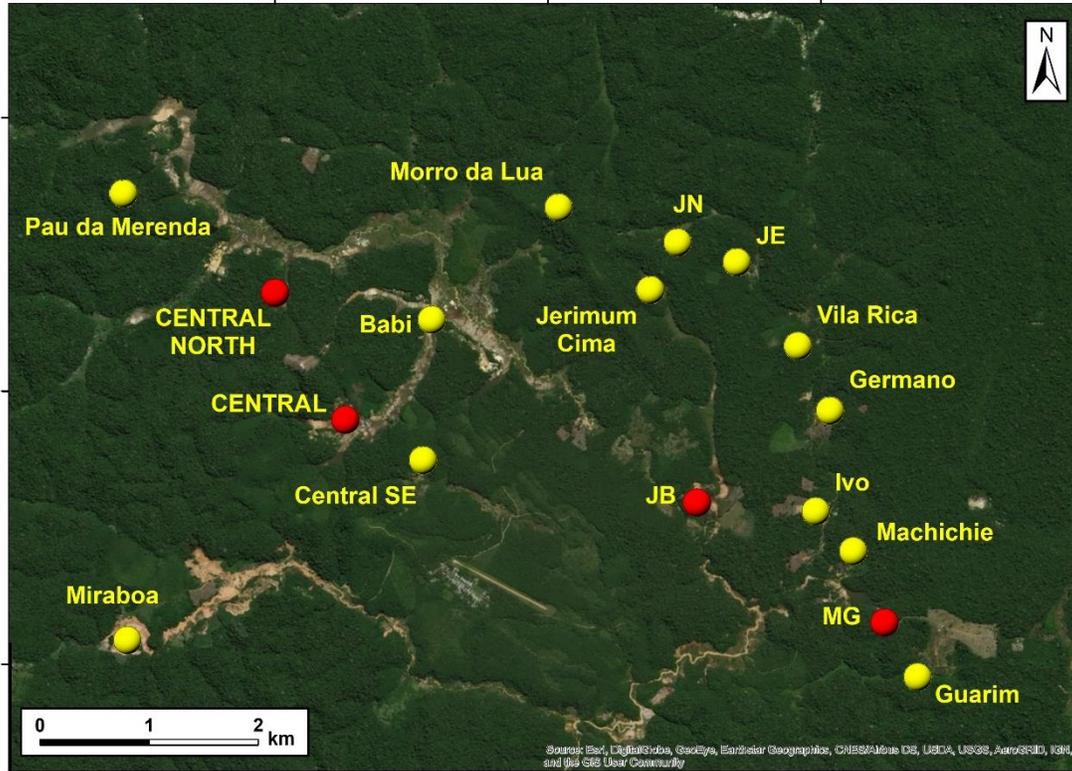


Figure 1: The central part of the Cuiú Cuiú property showing the location of the Pau de Merenda-Central corridor. Targets with established resources are shown in red. Primary target zones under evaluation for drill targeting are shown in yellow.

Current Program

The current program of work has involved an initial campaign of channel sampling, pitting and auger drilling in the Central – Pau de Merenda corridor, to provide a more precise framework to determine drill targets. Additional trenching and channel sampling are still in progress.

The auger drilling and pitting program is directed at tracing the mineralized trends under thick overburden cover using saprolite-cover interface geochemistry. Samples were taken from the top few meters of the saprolite, which in some areas is covered by a thick residual soil profile, and in others by a thick widespread transported alluvial cover sequence. The latter effectively masks underlying gold in bedrock and shows no significant gold-in-soil surface anomaly. The cover sequence is typically 8m thick, or less, but in a few areas exceeds 20m in thickness.

A 3kg split was taken from all saprolite samples at site. The remainder was initially washed and panned on site and the gold colours for each sample were counted. The latter fraction averaged 42kg (more than ten times larger than the sample sent for analysis). This not only provides a low cost and rapid means of assessing and mapping the main mineralized trends

under cover, but also provides a larger sample in a saprolite rock where gold is sometimes coarse.

Initial results from top-of-saprolite interface sampling locally returned gold counts exceeding 100, and define an anomalous corridor extending for a minimum of 4km, essentially connecting the Central deposit and the Pau de Merenda targets. The zone is still open along strike to the NW and SE (Figure 2).

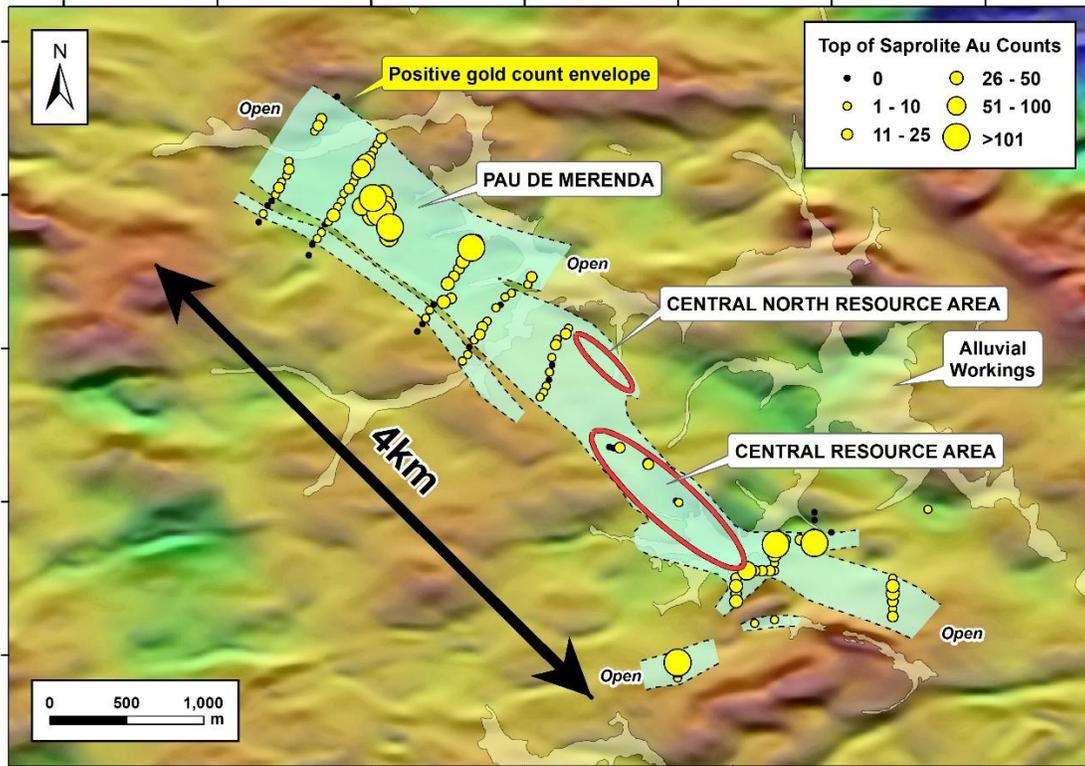


Figure 2: Gold count results from the top-of-saprolite geochemical sampling program, superimposed on RTP-1VD composite magnetic image. The position of alluvial drainages worked by artisanal miners is illustrated in transparency.

Similarly, the geochemical analyses from smaller split samples of the same intervals indicates the presence of a narrower more constrained anomalous zone defined by the >0.1 g/t gold contour. They also support the minimum 4km long trend (Figure 3). Maximum geochemical values returned from the top-of saprolite sampling were **18.7 g/t Au**.

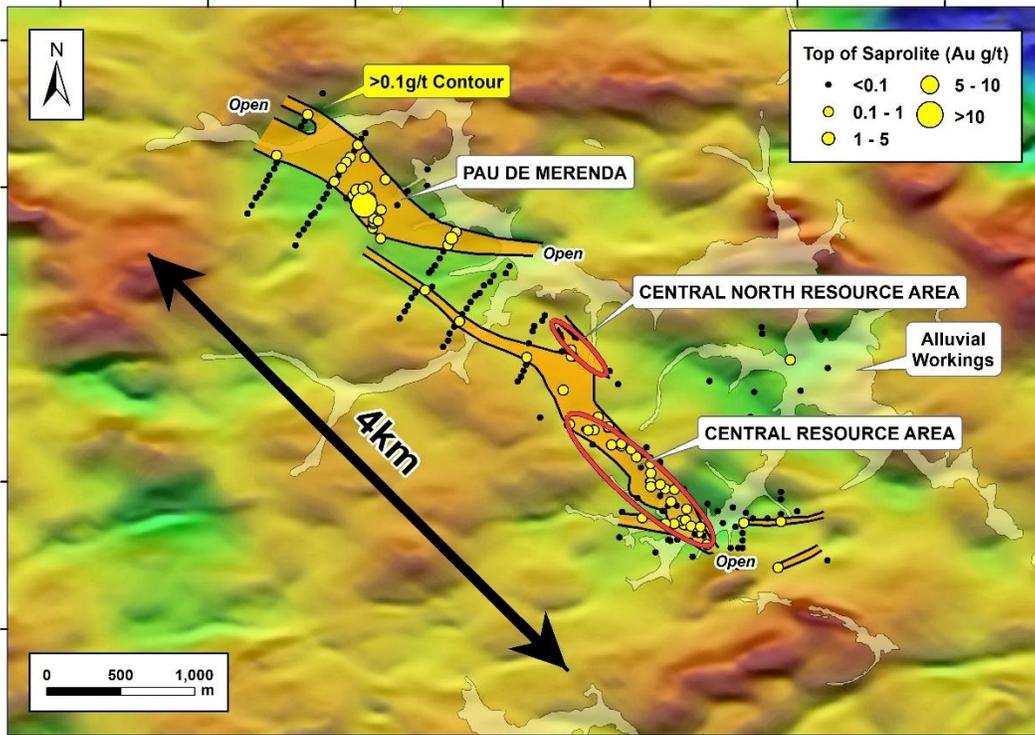


Figure 3: Gold results from geochemical analysis of the top-of-saprolite geochemical sampling program, superimposed on RTP-1VD composite magnetic image. The position of alluvial drainages worked by artisanal miners is illustrated in transparency.

Figure 4 shows both the geochemical fraction superimposed on the gold count data which, together, strongly suggest the presence of a wider and much longer mineralized corridor that encompasses the Central deposit and the Pau de Merenda target, than was previously envisaged. Results are currently pending on a series of trenches testing parts of this mineralized corridor where artisanal workings have exposed the top of the saprolite below the cover sequence.

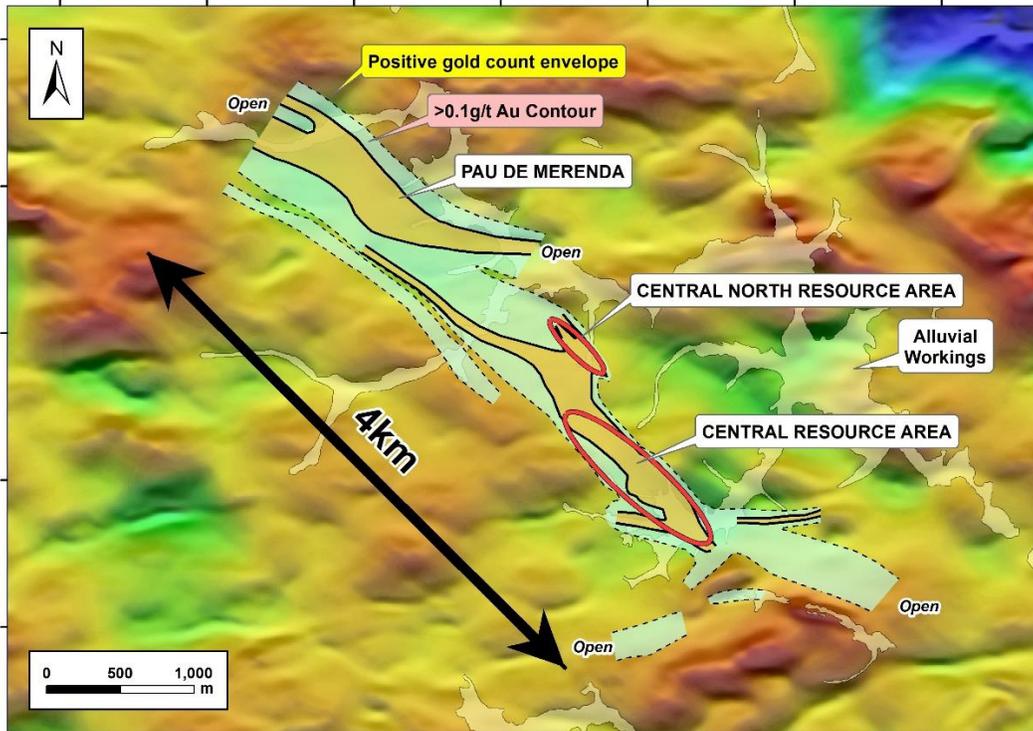


Figure 4: Composite map showing both the gold count data and gold geochemical analysis of the top-of-saprolite geochemical sampling program, superimposed on RTP-1VD composite magnetic image. The position of alluvial drainages worked by artisanal miners is illustrated in transparency.

Alan Carter, President & CEO commented “The auger results from the Central - Pau de Merenda corridor area are very compelling and strongly suggest the presence of a significantly larger area of gold mineralization than is suggested by the current resource at Central. These results come close on the heels of recent high-grade surface rock assay results from the Jerimum Cima target area (see news release of June 19, 2018), which are also located outside the existing resource. I would like to congratulate our exploration team led by Adrian McArthur on their continued success, and look forward to additional results from other targets at Cuiú Cuiú in the coming weeks and months”.

Issuance of stock options

Separately, Cabral has granted stock options to the Executive Chairman of the Company pursuant to its stock option plan. The stock options entitle the holder to purchase 450,000 common shares in the capital stock of the Company at a price of \$0.23 per common share. The stock options are exercisable until June 19, 2023 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 Cuiú Cuiú gold project located in the Tapajós Region within the state of

Para in northern Brazil. Current resources at Cuiú Cuiú amount to Inferred Resources of 5.9MMt @ 0.9g/t gold and Inferred Resources of 19.5MMt @ 1.2g/t gold.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.

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Forward-looking Statements

This news release contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively “forward-looking statements”). The use of the words “will”, “expected” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such forward-looking statements should not be unduly relied upon. This news release contains forward-looking statements and assumptions pertaining to the following: strategic plans and future operations, and results of exploration. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct.

Notes

Samples are collected via a mechanical auger with advances of 20-30cm. Sampling intervals are separated according to lithology. Drilling continues over 3m into the saprolite. The saprolite sample reduced using a ten-slot riffle splitter feeding two collection trays. The splitter and trays are cleaned of any residue between samples. A split sample of ~3kg is sent the SGS in Brazil for sample preparation and analysis. The residual sample mass (on average ~42kg) is screened on site to produce a hand-pan concentrate of the dense mineral fraction. Gold counts are visually determined, and samples are archived on site. Gold analysis has been conducted by SGS method FAA505 (fire assay of 50g charge), with higher grade samples checked by FAA525. Analytical quality is monitored by certified references and blanks. Until dispatch, samples are stored under the supervision the Company's exploration office. The samples are couriered to the assay laboratory using a commercial contractor. Pulps are returned to the Company and archived.