Diamond drilling advances at the Machiche Target, Cuiú Cuiú Project.
Channel sampling returns 52.5 g/t Au over 0.9m and 23.8 g/t Au over 1.35m

Vancouver, British Columbia – January 29, 2019 – Cabral Gold Inc. (“Cabral” or the “Company”) (TSXV: CBR OTC: CBGZF) is pleased to announce that it has completed its first two diamond drill holes at the Machiche target at the Cuiú Cuiú Project, Pará State, northern Brazil. The high-grade potential of the Machiche target was first recognised in mid-2018 through channel sampling of artisanal workings (see press release dated July 19, 2018). Since then, an auger geochemical program has defined a broader gold anomaly extending along strike from the workings, coincident with a significant copper-molybdenum (“Cu-Mo”) anomaly, and a program of channel sampling of structures in the main artisanal workings has continued.

The east-west structures of the Machiche target have never been previously drilled. The target is located just 500m north of Cabral’s MG Gold deposit which is one of four deposits with defined resources at Cuiú Cuiú.

Highlights

- The first two diamond drill holes have been completed at Machiche, successfully tracing quartz veins containing-pyrite approximately 50m vertically below the base of artisanal workings. Core is being cut and samples will shortly be sent to the laboratory for analysis.

- New assay results from surface samples collected in late 2018 in and along strike from these workings include:
  - A grab sample returned 356g/t Au, 198g/t Ag, 1% Cu and 0.1% Mo, collected from stockpiles at the principal shaft.
  - A channel sample of a vein 70m to the east along strike returned 52.5 g/t Au over 0.9m.
  - A channel sample of a vein 300m to the west along strike returned 23.8 g/t Au over 1.35m.

- Top-of saprolite auger geochemical drilling outlined a significant gold anomaly extending more broadly along strike from the limit of the artisanal workings. Together with recent sampling, the results suggest the Machiche target extends over at least 1.1km.

- Unlike all the other targets identified thus far at Cuiú Cuiú, the auger drilling has also defined a significant Cu-Mo anomaly which is coincident with the gold (“Au”) anomaly. This is best developed to the east where a strong IP chargeability anomaly is also present.
Machichie Target

The Machichie target is located just 500m north of the MG deposit. MG is currently the second largest gold deposit known at Cuiú Cuiú, with an Inferred Resource of 8.6MMt @ 1.45g/t Au (0.4MMoz of gold) \(^1\).

Machichie was selected as a high priority drill target following the mid-2018 discovery of high-grade gold mineralization from recently developed artisanal shafts. Altered rocks in the muck-pile from the workings contain considerable pyrite, along with molybdenite, scheelite, and minor chalcopyrite. A composite grab sample returned 336 g/t Au from a 1m wide quartz-pyrite vein in the principal shaft in the area. Results from channel sampling in subsidiary shafts and galleries in weathered bedrock along strike included 54.6 g/t Au over 0.80m, 13.8 g/t Au over 1.5m, 13.2 g/t Au over 0.75m and 5.8 g/t Au over 1.75m. A recent grab sample from stockpiles of the principal shaft returned 356 g/t Au, 198 g/t Ag, 1% Cu and 0.1% Mo (Figure 1).

The diamond drill program has commenced with two diamond drill holes completed on section 553005E. These drill holes have traced the structure in bedrock to a depth of 50m vertically.

\(^1\) Micon NI 43-101 amended resource estimate dated 19 December 2018.
below the base of the principal working (Figure 2). The workings extend to a depth of 17m below surface and have recently been terminated at the water table.

The Machichie structure is characterized by a subtle east-west trending magnetic low which is coincident with the high-grade mineralization observed on surface. Additional magnetic lows along strike to the east and west of the artisanal shafts were targeted with follow up auger sampling and suggest that the structure extends at least 1.1km along strike.

In late 2018, efforts were aimed at determining the strike extent of the Machichie structure. This work has resulted in the identification of significant mineralization including 23.8 g/t Au over 1.35m and 2.1 g/t Au over 1.05m located 350m along strike and west of the main artisanal shaft.

![Figure 2: Recent drill core from Machichie. Assay results are pending.](image)

In addition, results from four lines of shallow auger holes which were completed to the west of the main artisanal shaft have revealed a strong coincident Au and Cu anomaly with values up to 203ppm Cu and 200ppb Au. Rock grab samples collected approximately 175m further west of the most westerly auger line returned values of 5.5 g/t and 3.1 g/t Au, suggesting the Machichie structure remains open to the west.

In addition, recent channel sampling east of the main artisanal shaft at Machichie returned 52.5 g/t Au over 0.9m from a position 70m east of the principal shaft.

An additional four diamond drill holes are planned at Machichie to the east and west of the initial two holes which were drilled directly under the main artisanal shaft.

**Machichie East Target**
Shallow auger drilling below thick overburden cover east of the artisanal workings at Machichie was conducted in late 2018 and has revealed an even stronger and larger Au-Cu-Mo anomaly than that to the west. A broad gold anomaly is evident over 300 x 350m with values up to 325ppb gold located approximately 300m east of the main artisanal shaft (Figure 3) and is coincident with elevated Cu values up to 207ppm (Figure 4) and a well-defined Mo anomaly with values ranging from 10 – 152ppm Mo (Figure 5). Background Mo values throughout the Cuiú Cuiú project area are generally below the detection limit of 3ppm.

The Au-Cu-Mo anomaly at Machichie East is coincident with a magnetic anomaly, and more importantly a well-defined chargeability anomaly at depth which was defined by a historic IP survey. A strong correlation exists at the MG deposit between zones of high chargeability and high-grade parts of the deposit.

The Machichie East target will be drill tested following completion of drilling at Machichie.
Figure 4: Map showing Machichie and Machichie East targets with magnetic imagery, IP chargeability contours and copper from top of bedrock auger sampling.

Figure 5: Map showing Machichie and Machichie East targets with magnetic imagery,
Alan Carter, President & CEO commented “The recent surface channel sampling results and the auger geochemical target suggest the presence of a significant mineralized structure to the immediate north of the MG deposit. The presence of elevated copper and molybdenum values in conjunction with the gold, is unique so far amongst the various targets at Cuiú Cuiú. The diamond drill campaign will add valuable information regarding the depth projection of the Machichie structure and the significance of the copper-molybdenum-gold signature at Machichie East. We look forward to the drill results of the program”.

Issuance of stock options

On January 23, 2019, Cabral’s Board of Directors approved the granting 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 1,694,672 common shares in the capital stock of the Company at a price of $0.25 per common share. The stock options are exercisable until January 22, 2024 and are subject to vesting over 24 months. Of the total grant, 1,304,672 stock options were granted to members of management and directors of the Company and 50,000 stock options were granted to its Corporate Communications Manager, a person engaged to provide, among other things, promotional activities on behalf of the Company (see news release of November 19, 2018).

About Cabral Gold Inc.

The Company is a junior resource company 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, which covers the largest of the historical placer gold camps in the Tapajós region of northern Brazil, having yielded an estimated 2M oz of gold from the overall 20-30M oz gold produced during the Tapajós gold rush. Placer workings cover over 850ha on the property but are largely exhausted. The few remaining artisanal workers now process gold from palaeo-valley placer deposits and in places exploit high-grade gold mineralization from quartz veins in saprolite (shallow highly weathered bedrock).

Cabral reported an updated NI 43-101 Mineral Resource Estimate in December 2018 totalling 5.9M tonnes grading 0.9 g/t Au (Indicated) and 19.5M tonnes grading 1.2 g/t Au (Inferred), or 0.2M ounces and 0.8M ounces of gold, respectively. That estimate was based on four deposits drilled prior to the cessation of exploration in 2012.

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Dr. Adrian McArthur, B.Sc. Hons, PhD. FAusIMMM., 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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

Gold analysis has been conducted by SGS method FAA505 (fire assay of 50g charge), with higher grade samples checked by FAA525 or screen fire assay. Multi-element analysis is conducted by four acid digest and ICP-OES analysis. 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. Channel sampling is conducted using a hand-trenching tool over exposed faces to maintain a consistent sample. The high-grade Machichie sample was collected in run-of-mine stockpiles from the artisanal processing operation.

The historical induced polarization survey was a 3D IP survey conducted for Magellan Minerals Ltd. in 2012 by SJ Geophysics Ltd. The survey used a GDD TX II Transmitter and a SJ-24 Full Waveform receiver. The survey was conducted on 100m spacings lines with a dipole size of 50m and an array length of 500 to 750m. Geophysical exploration targets are preliminary in nature and not conclusive evidence of the likelihood of a mineral deposit.

Under the agreement with the Cuíú Cuíú condominium, local artisanal operators can process mineralization to a depth of 30m, unless otherwise negotiated. Shafts generally stop at or above the depth of the water-table. Historical drilling results are reported as down-hole length weighted intersections unless otherwise stated.