

Cabral Gold Inc

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Cabral Gold starts drilling at Cuiú Cuiú gold project

Cabral Gold Inc (CVE:CBR) CEO Dr. Alan Carter's eyes light up when you get him talking about the company's Cuiú Cuiú gold project in Brazil.

"I do this because I love it. I wake up at 4 am thinking about it," says the CEO of Cabral Gold and geologist, who stacks together three decades of experience in minerals exploration (Rio Tinto, BHP Billiton, Peregrine) and was the founder of Magellan Minerals, which was acquired by Anfield Gold in May 2016.

"I'm always thinking about a particular drill hole on the project or perhaps that these samples represent something else, and on and on," says Carter. "I really do eat, sleep and breathe it."

Enthusiasm is one thing but so is experience: Carter bunkers both.

READ: Cabral Gold completes first two holes at the Machichie target at Cuiú Cuiú project

There are no idle hands right now, to put it mildly, as Cabral embarks on a drilling program at the Cuiú Cuiú (pronounced coo-yoo coo-yoo) project. The company is testing nine separate high-grade targets and is currently in the midst of testing the Machiche target.

"Machiche is an interesting target because it lies just 500 metres north of the second-largest deposit at Cuiú Cuiú," says Carter. "We have combined resources of about a million ounces at Cuiú Cuiú, which includes inferred and indicated material."

Carter says the historical production of placer gold in the target area is an estimated 2 million ounces, adding that it estimates the 85-90% of the gold that was washed out of the streams is coming from other sources: sources that Cabal believes are very close to its existing deposits.

Machiche target promising

Machiche has never been tested before, and appears to be promising.

Carter says the Machiche target has a significant copper-molybdenum signature, which makes it unique among the 20 to 30 targets at Cuiú Cuiú.

"The interesting thing about it is it's not just a geochemical response that we're getting with the surface sampling work we're doing, but it's also a geophysical response," says Carter.

"There is a very strong chargeability anomaly, which suggests that the ground underneath where we're getting the copper and the [molybdenum] has some minerals associated with it that are chargeable," he adds. "We think that there is a strong likelihood that it may be caused by disseminated sulphides."

Cabral will be testing that target and others over the next few weeks.

Price: C\$0.23

Market Cap: C\$8.94M

1 Year Share Price Graph



Share Information

Code: CBR

Listing: TSX-V

52 week High Low
C\$0.44 C\$0.18

Sector: General Mining

Website: www.cabralgold.com

Company Synopsis:

Cabral Gold's key asset is the Cuiú Cuiú gold project located less than 20km from Eldorado Gold's advanced Tocantinzinho project in Brazil. Cabral's project has historic resources of 0.1Moz in the Indicated category and 1.2Moz in the Inferred category based on an initial 26,000m of drill data, and is currently updating the calculation with an additional 22,000m of drill data.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

The rapidly developing Tapajos region

Cabral Gold's Cuiú Cuiú project lies in the fascinating Tapajos region: rich with history, and ripe with possibility.

The Tapajos region was the site of the world's largest ever gold rush between the mid-1970s and mid-1990s and is estimated to have produced 20-30mIn/oz of placer gold. Cuiú Cuiú itself was the largest of these placer areas and is estimated to have yielded 2mIn/oz of gold from streams, but the source for much of that gold is yet to be identified. The Tapajos region covers 125,000 sq/km in the Amazon basin, which includes farmland, rainforest and wetlands.

It's also a region attracting plenty of exploration capital in Brazil - a country where mining is at the heart of the nation's economy and has been since the 1600's. Today, Brazil is the world's 12th largest producer of gold in the world.

Good neighbours

And yet, there are challenges too. The area surrounding Cuiú Cuiú is a remote area of the Amazon. Access is via a series of dirt roads, which presents a number of issues: rain and access to power, being others.

Thankfully, those challenges look reasonable to overcome.

Cabral Gold's Cuiú Cuiú project is flanked to the south-east by neighbours Eldorado Gold, which constructed a new 70 km road to its Tocantinzinho project, from the BR-163 highway. In May of this year, Eldorado was granted a construction licence and tailings permits (though what it does with them remains to be seen). Additionally, new hydroelectric power plants are being planned for the region.

Future looks promising

At the end of November, Cabral closed the first tranche of its private placement financing for gross proceeds of C\$1.86 million through the issuance of 7.45 million common shares. Funds are being used to complete the diamond drill program at its Cuiú Cuiú property.

So what lies ahead?

Cabral will continue its drilling program at Cuiú Cuiú, with results expected over the next few months

Carter says he remains confident in the potential to grow its resource, based off the strength and scale of the gold-in-soil anomaly, the high grades returned, not to mention the rich history of the area.

"Over the next two to three months, we expect to be doing a lot more drill testing," says Carter.

Drill results should be coming through starting next month, and Carter adds that there will be a lot of drilling going on alongside surface exploration over the next few months

Needless to say, it's going to be a busy 2019 for Cabral Gold.

Contact Katie Lewis at katie@proactiveinvestors.com

Follow her on Twitter [@kelewis](https://twitter.com/kelewis)

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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