

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **NAME AND ADDRESS OF COMPANY**

Cabral Gold Inc.
Suite 1500 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2

2. **DATE OF MATERIAL CHANGE**

July 25, 2019

3. **NEWS RELEASE**

News release dated July 26, 2019 was disseminated through the facilities of Newsfile Corp.

4. **SUMMARY OF MATERIAL CHANGE**

Cabral Gold Inc. closed a private placement for gross proceeds of \$3,419,524.80.

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Cabral Gold Inc. closed its previously announced non-brokered private placement financing (the "Private Placement") through the issuance of 22,796,832 units ("Units") at a price of \$0.15 per Unit for gross proceeds of \$3,419,524.80. Each Unit is comprised of one common share of the Company and one common share purchase warrant. Each common share purchase warrant ("Warrant") entitles the holder to acquire one common share at a purchase price of \$0.20 for a period of 12 months following closing of the Private Placement.

Officers and directors of Cabral and their spouses subscribed in the Private Placement for a total of 1,966,667 Units for gross proceeds of \$345,000 representing 10.1% of the total raised. The participation of officers and directors of Cabral in the Private Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to section 5.5(a) and section 5.7(1)(a) as the fair market value of the officers' and directors' participation is not more than 25% of the Company's market capitalization. The Company did not file a material change report more than 21 days prior to closing of the Offering as the details of the insider participation were not settled until shortly prior to closing.

The Company intends to use the net proceeds from the Private Placement to further exploration at its Cuiú Cuiú gold project located in northern Brazil and for general corporate and working capital purposes.

In connection with the Private Placement, the Company paid an aggregate cash finder's fee of \$158,846 and issued an aggregate of 1,058,972 share purchase warrants ("Finder's Warrants") to certain finders in connection with the Private Placement. Each Finder's Warrant entitles the

holder to purchase one common share of the Company at a purchase price of \$0.20 for a period of 12 months following closing of the Private Placement.

All securities issued in connection with the Private Placement are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation and the policies of the TSX Venture Exchange, pursuant to which they may not be sold or transferred until November 26, 2019.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

Not applicable.

8. EXECUTIVE OFFICER

Alan Carter
President and Chief Executive Officer
Cabral Gold Inc.
Tel: 604.676.5660

9. DATE OF REPORT

August 2, 2019