

**FORM 51-102F3 - MATERIAL CHANGE REPORT**

**1. NAME AND ADDRESS OF COMPANY**

San Angelo Oil Limited  
Suite 650, 669 Howe Street  
Vancouver, BC  
Canada V6C 0B4

**2. DATE OF MATERIAL CHANGE**

May 10, 2017

**3. NEWS RELEASE**

News release dated May 11, 2017 was disseminated through the facilities of Marketwired.

**4. SUMMARY OF MATERIAL CHANGE**

San Angelo Oil Limited Enters Into Business Combination Agreement With Cabral Gold Ltd.

**5. FULL DESCRIPTION OF MATERIAL CHANGE**

See attached news release.

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

N/A

**7. OMITTED INFORMATION**

N/A

**8. EXECUTIVE OFFICER**

Eileen Au  
Interim Chief Executive Officer  
Telephone: 778-725-1488

**9. DATE OF REPORT**

May 11, 2017

## **SAN ANGELO OIL LIMITED ENTERS INTO BUSINESS COMBINATION AGREEMENT WITH CABRAL GOLD LTD.**

VANCOUVER, BRITISH COLUMBIA – May 11, 2017 – San Angelo Oil Limited (“San Angelo”) (NEX: SAO.H) is pleased to announce that it has entered into a business combination agreement dated May 10, 2017 (the “Agreement”) to acquire Cabral Gold Ltd. (the “Transaction”). Cabral Gold Ltd. (“Cabral”) has a 100% interest in the Cuiú Cuiú gold deposit which is located in the Tapajos Region of Brazil.

Pursuant to the Agreement, the Transaction will be carried out by way of a three-cornered amalgamation (the “Amalgamation”), whereby Cabral will amalgamate with a newly-incorporated wholly-owned subsidiary of San Angelo to form Cabral Gold B.C. Inc. (“Amalco”). San Angelo proposes to complete a 1:5 consolidation of its common shares (the “Consolidation”) concurrently with closing, and pursuant to the Amalgamation, shareholders of Cabral will receive 0.18 of one post-Consolidation common share of San Angelo for each one common share of Cabral held (the “Exchange Ratio”). Amalco will become a wholly-owned subsidiary of San Angelo, and San Angelo proposes to change its name to Cabral Gold Inc. on closing of the Transaction. San Angelo will issue approximately 22,822,548 post-Consolidation common shares to shareholders of Cabral. In addition, outstanding options and warrants of Cabral will be exchanged for similar instruments of San Angelo exercisable for or convertible into San Angelo post-Consolidation common shares on the basis of the Exchange Ratio.

### **About Cabral Gold Ltd.**

Cabral is a private BC corporation that has approximately C\$1.35M in cash (as at April 30, 2017, unaudited). Cabral’s key asset is the Cuiú Cuiú gold project which is located in the Tapajos Region within the state of Para in northern Brazil.

The 34,000 hectare Cuiú Cuiú property historically produced 1.5-2Moz of placer gold and had approximately C\$21 million spent on exploration between 2006 and 2016. During this period, a gold-in-soil anomaly was defined which extends in a NE-SW direction for approximately 18 km. A historic resource estimate was completed in early 2011 and resulted in resources of 3.4Mt @ 1.0g/t gold (0.1Moz) in the Indicated category and 31Mt @ 1.2g/t gold (1.2Moz) in the Inferred category. Approximately 26,000 metres of drilling supports this historic estimate. The historic estimate is detailed in the “Resource Estimate and Technical Report for the Cuiú Cuiú Project, Tapajos Region, North-Central Brazil” dated April 19, 2011 prepared for Magellan Minerals Ltd. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and neither San Angelo nor Cabral is treating the historical estimate as current mineral resources.

Since 2011, a further 22,070m of drilling has been completed within the historic resource and on other exploration targets within the 18km long geochemical-structural corridor. Positive drill intersections have been returned on at least six other targets at Cuiú Cuiú beyond the historic resources, and include 39m @ 5.13g/t, 47m @ 1.76g/t, 27m @ 6.94 g/t, 106m @ 0.6 g/t, 39m @ 1.25g/t and 8m @ 2.78g/t gold. Numerous geochemical, geophysical and structural targets remain untested.

Dennis Moore, a director of Cabral and a qualified person under NI 43-101, has reviewed and approved the scientific and technical information in this press release. Further information about the scientific and technical information on the Cuiú Cuiú property in this press release, including a summary of data verification measures, and a description of the assumptions, parameters and risks associated with this information, will be available in a NI 43-101 Technical Report that will be filed by San Angelo.

### **The Resulting Issuer**

Following the Amalgamation, San Angelo will be in the mining industry and will have a flagship property. The Agreement requires San Angelo to have a minimum of C\$3.8M in working capital. Cabral brings a strong management team with significant experience in Brazil, and following the Amalgamation, San Angelo will be led by Alan Carter as President and CEO and Paul Hansed as CFO. Dr. Carter previously founded Magellan Minerals Ltd. and together with Paul Hansed managed the Company until it was acquired by Anfield Nickel Ltd. (now Anfield Gold Corp.) in May 2016. The board of directors of San Angelo is expected to include Alan Carter, Dennis Moore, Donald Njegovan, Derrick Weyrauch and Charles Oliver as Chairman of the board.

**Alan Carter:** Dr. Carter has over 25 years of experience in the minerals exploration industry and spent 10 years living in South America, principally Bolivia, Argentina, Ecuador and Peru. He spent seven years working for Rio Tinto Corp. and six years with Billiton and BHP Billiton. He was a co-founder of both Peregrine Diamonds Ltd. and Peregrine Metals Ltd., the latter being acquired by Stillwater Mining in 2011 for \$475M. He has a BSc in geology from the University of Nottingham, U.K., and a PhD in gold geochemistry from the University of Southampton, U.K. Most recently, Dr. Carter founded Magellan Minerals Ltd. (along with Mr. Moore), which was listed on the TSX Venture Exchange ("TSX-V") in early 2008 and acquired by Anfield Gold Corp. in May, 2016. Dr. Carter sits on the boards of Peregrine Diamonds Ltd., Anfield Gold Corp., Altamira Gold Corp. and Blackrock Gold Inc.

**Dennis Moore:** Mr. Moore has over 35 years of experience as an exploration geologist. Originally working for major companies in Australia and the southwest Pacific, he later moved to South America and has extensive experience in Bolivia, Peru and Brazil. Mr. Moore co-founded Magellan Minerals Ltd. with Dr. Carter in 2005 and was responsible for the discovery of the Tocantinzinho gold deposit which is owned by Eldorado Gold Corp. He has been directly involved in at least four other gold discoveries in South America, including Amayapampa in Bolivia, and Cuiú Cuiú, Coringa and Cajuero in Brazil.

**Donald Njegovan:** Mr. Njegovan has 20 years of experience in the mining industry. He holds a Bachelor of Science in Mining Engineering and a Bachelor of Arts. He is currently the Vice President, New Business Development at Osisko Mining Corporation. He was formerly Managing Director of Global Mining at Scotiabank and an investment banker at Toll Cross Securities Inc., and worked underground for Hudson Bay Mining & Smelting Co., Ltd. Mr. Njegovan was also a director of Royal Road Minerals Ltd. and a director of St. Andrew Goldfields Ltd. prior to its acquisition by Kirkland Lake Gold Inc.

**Charles Oliver:** Mr. Oliver has over 25 years of experience as a fund manager. He holds a Chartered Financial Analyst designation and a Bachelor of Science in Geology. Mr. Oliver is currently a director of Klondex Mines Ltd. and Integra Gold Corp. He was formerly Lead Portfolio Manager of the Gold and Precious Metals Fund at Sprott Asset Management and Senior Vice President and Lead Portfolio Manager of several funds, including the Precious Metals Fund, at AGF Funds.

**Derrick Weyrauch:** Mr. Weyrauch has over 27 years of experience that includes corporate financial management, financings, corporate restructuring, strategic planning and merger and acquisition transactions. He currently serves as a non-executive director on the Audit Committee for the board of directors of Banro Corporation. Mr. Weyrauch was previously the Chief Financial Officer of Jaguar Mining Inc., and, prior to its sale in 2013, was the Chief Financial Officer of Andina Minerals Inc. He is a Chartered Professional Accountant (CA), is a member of the Institute of Chartered Accountants of Ontario, the Institute of Corporate Directors and holds a Bachelor of Arts degree in Economics.

**Paul Hansed:** Mr. Hansed has more than 25 years of accounting and finance experience, including eight years as CFO of Magellan Minerals Ltd. from 2008 until 2016, when the company was acquired by Anfield Gold Corp., and five years as CFO of ECI Exploration and Mining Inc. from 2010 until 2014. Prior to

joining Magellan Minerals Ltd. in 2008, Mr. Hansed worked for 20 years with KPMG in Canada and Europe. He is a Chartered Professional Accountant (CA) and holds an undergraduate degree in business administration from Simon Fraser University.

### **Closing Conditions**

The closing of the Transaction is conditional upon the following and other customary conditions:

- **Consolidation:** San Angelo will complete the 1:5 Consolidation. Upon completion of the Consolidation, San Angelo will have approximately 1,298,550 common shares issued and outstanding
- **Working Capital Requirement:** The resulting issuer is required to have no less than C\$3.8M in working capital immediately following closing of the Transaction
- **Shareholder and TSX-V Approval:** The closing of the Transaction is subject to San Angelo obtaining approval of the TSX-V. In addition, San Angelo is required to obtain shareholder approval of the Consolidation, and Cabral is required to obtain shareholder approval of the Amalgamation
- **Board Reconstitution:** On closing of the Transaction, the board of directors of San Angelo is expected to be composed of Alan Carter, Dennis Moore, Donald Njegovan, Charles Oliver and Derrick Weyrauch

The Transaction is an arm's length transaction under the policies of the TSX-V. San Angelo will not be seeking shareholder approval of the Transaction due to the following reasons: (i) the Transaction is not a related party transaction and no other circumstances exist which may compromise the independence of San Angelo or other interested parties with respect to the Transaction; (ii) San Angelo is without active operations; (iii) San Angelo is not subject to a cease trade order and will not be suspended from trading on completion of the Transaction; and (iv) approval of the Amalgamation by San Angelo's shareholders is not required under applicable corporate or securities laws.

Further details regarding the Transaction will be set forth in a filing statement of San Angelo, a copy of which will be available at [www.sedar.com](http://www.sedar.com). Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of San Angelo should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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*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 any of the word “will”, “proposes”, “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: completion of the Transaction, receipt of required shareholder and regulatory approvals, strategic plans and future operations, results of exploration, capital expenditures and objectives. 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.