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**CABO DRILLING CORP. ANNOUNCES TRANSACTION WITH
PHOENIX CAPITAL ENTERPRISES LTD.**

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distribution or dissemination directly, or indirectly, in whole or in part, in or into the United States.*

November 1, 2018 – Vancouver, British Columbia – Cabo Drilling Corp. (TSX-V: CBE) (the “Company” or “Cabo”) is pleased to announce that it has entered into a share purchase agreement (the “RTO Transaction Agreement”) dated as of October 27, 2018, with Phoenix Capital Enterprises Ltd. (“Phoenix”), pursuant to which Cabo will effect a business combination and reverse takeover transaction that will result in, among other things, Cabo acquiring all of the issued and outstanding common shares of Tengri Resources Pte. Ltd. (“Tengri Resources Pte”), a corporation incorporated under the laws of Singapore, in exchange for cash and newly issued common shares of Cabo (the “RTO Transaction”). Phoenix is a corporation incorporated under the laws of the British Virgin Islands and controlled by Messr. Khurlee Ankhbayar, a resident of Mongolia. See below for additional information on Messr. Ankhbayar.

The RTO Transaction will be subject to relevant regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange (the “TSXV”), standard closing conditions, the approval of the directors of each of Cabo and Phoenix, approval of Cabo shareholders, the completion of due diligence investigations to the satisfaction of each of Cabo and Phoenix, as well as the satisfaction of the conditions described below. Cabo, following completion of the RTO Transaction, is referred to herein as the “Resulting Issuer”.

Tengri Resources Pte, a private company wholly owned by Phoenix, owns 100% of the securities of Tengri Resources LLC (“Tengri LLC”), which is the 100% owner of Richfluorite LLC (“Richfluorite”), which is the 100% owner of Jonsht Gazar LLC (“Jonsht Gazar”). Tengri LLC, Richfluorite and Jonsht Gazar are corporations incorporated under the laws of Mongolia.

Richfluorite is the registered and beneficial holder of seven (7) fluorspar mining licenses and two (2) quartz mining licenses in Mongolia and Jonsht Gazar is the registered and beneficial holder of two (2) fluorspar mining licenses in Mongolia, hereinafter together referred to as the “Mining Licenses”.

The nine (9) fluorspar mining licenses held by Richfluorite and Jonsht Gazar cover an area of 3,004 hectares over three (3) project areas. The mining licenses have various expiry dates from October 2035 through to July 2047, which can be extended for another 40 years if supported by mineral reserves. Within the nine (9) licenses, there are twenty-two (22) known epithermal style fluorspar vein and vein breccia prospects. The fluorspar mineralization is hosted by veins, vein breccia and stockwork vein zones in granitic and volcanic host-rocks. Individual fluorspar veins range from 1 cm to 2 m wide and typically dip steeply, from vertical to -65 degrees. In the zones of interest, these veins cluster together forming vein breccia zones that are up to 60 m wide.

Twenty (20) of these epithermal style prospects are located on seven (7) mining licenses in two (2) of the three (3) project areas in eastern Mongolia. Tengri Resources Pte has completed extensive exploration on these seven (7) licenses, including 131 drill holes (6,877 m) and assaying of 668 samples. The twenty (20) prospects within these two (2) project areas contain fluorspar mineralized zones ranging from 0.3 m to 30 m wide and have been traced along strike for 30 to 700 m. Individual assays from channel and core samples range from 18 to 87% CaF₂. The average grade from all samples collected from these seven (7) mining license areas is 40.2% CaF₂. Tengri Resources Pte has registered mineral resources on these licenses as a condition of converting them from exploration to Mining Licenses. *These resources are not reported herein, since a qualified person has not done*

sufficient work on the Prospects to classify them as current mineral resources or mineral reserves and the issuer is not treating them as current mineral resources or mineral reserves.

Tengri Resources Pte has completed detailed work programs in one (1) of the three (3) project areas, covering the remaining two (2) mining licenses. This area is located west of the town of Choyr, in central Mongolia. Tengri Resources Pte has completed 171 drill holes for a total of 20,577 m of exploration drilling on these two (2) licenses. Drilling has outlined two (2) fluorspar deposits – Ikh Bichigt and Bumbat prospects – containing historical resources totalling 16.5 million tonnes (Mt) grading 18.2% CaF₂ as shown in Table 1.

Table 1. Ikh Bichigt and Bumbat prospects, historical resources.

Prospect	Cut-off grade	Mineral Resource Category	Tonnes	CaF ₂	SiO ₂	CaCO ₃
Ikh Bichigt	11% for Open Pit; 7% for Underground	Measured	1.5	17.8	63.4	0.8
		Indicated	4.0	19.1	62.0	0.8
		Sub-total Measured & Indicated	5.5	18.7	64.3	0.7
		Inferred	5.6	14.7	66.1	0.7
Bumbat 2	11% for Open Pit; 7% for Underground	Measured	0.2	17.7	65.1	0.8
		Indicated	2.4	22.4	59.8	0.8
		Sub-total Measured & Indicated	2.6	22.0	60.2	0.8
		Inferred	2.8	20.7	61.6	0.8
		TOTAL Measured & Indicated	8.1	19.8	63.0	0.7
TOTAL Inferred	8.4	16.7	64.6	0.7		

The historical resource estimate for the Ikh Bichigt and Bumbat prospects was based upon a plan to mine both deposits, initially from open pits using a cut-off grade of 10% CaF₂, and later by underground mining using a cut-off grade of 7% CaF₂. The historical estimate used a bulk density of 2.68 t/m³ for mineralization and 2.50 t/m³ for wallrocks, and utilized a block model approach to a maximum depth of 250 m. The historical resource estimate was prepared by Xstract Mineral Consultants, a reputable Australia based company in December 2013. The categories used are very similar to those recommended for Canadian classification, as outlined by CIM guidelines; however, they require reconciliation to CIM classification to meet the requirements of NI 43-10 guidelines. *A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or reserves and this resource estimate is not being treated by the company as a current resource.*

Tengri Resources Pte plans to complete a Preliminary Economic Assessment (PEA) to study the possibility of constructing a central processing facility that would upgrade the material produced from the Ikh Bichigt and Bumbat prospects, as well as potential mineralization from the other seven (7) mining licenses in the region.

The quartz project consists of two (2) quartz mining licenses held by Richfluorite covering 320 contiguous hectares in southeastern Mongolia. The quartz licenses have expiry dates of April 2036 and August 2048, and can also be extended for another 40 years, if reserves are demonstrated. The licensed area includes a historical resource estimate of 4.4 Mt at 98.9% SiO₂ using a cut-off grade of 98.0% of SiO₂ (1.5 Mt at 99.19% SiO₂ using a lower cut-off grade of 98.0% SiO₂). The historical resource estimate was prepared by Xstract Mineral Consultants in July 2012. It utilized the results from four (4) drill holes and surface exposure covering approximately 600 m of a 2.5 km long quartz vein. A specific gravity of 2.65 was used for the estimates. The quartz deposit requires additional drilling and a reconciliation of the mineralized material into the CIM classification system recommended by NI 43-101 guidelines.

A qualified person has not done sufficient work on the Prospect to classify the historic estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

A processing plant which purifies quartz and produces Solar Grade Silicon Metal (SoG Si) is proposed by Tengri Resources Pte to increase the purity levels to plus 99%.

Tengri Resources Pte has commissioned an independent consultant to update the resource calculations for the historic fluorspar and quartz resources pursuant to NI 43-101 reporting requirements, which reports are expected to be delivered to Tengri Resources Pte and Cabo in December, 2018, and detailed in a subsequent news release.

Cabo's President and CEO John A. Versfelt states, "the proposed RTO Transaction with Phoenix represents an opportunity for Cabo to enhance shareholder value, and, in my opinion, will enable Cabo to transform from an operating drilling company into an industrial mineral mining and drilling company, with primary operations in Mongolia and Canada, as well as subsidiaries in Latin American and Europe." Mr. Versfelt notes that "as a result of equity financing agreements of CDN\$330 million, which are subject to standard conditions noted below, Tengri Resources Pte and Cabo shareholders will be positioned to develop two strategic mineral deposits, with funding in place to build two processing plants for the production of high quality acidspar and solar grade silicon metals, should the economic viability and technical feasibility of the project be established."

On May 13, 2018 and June 14, 2018, Tengri Resources Pte entered into agreements (the "Share Subscription Agreements") for a total of CDN\$330 million in equity financings with GEM Global Yield Fund LLC SCS and GEM Investments America, LLC (together, "GEM") for the development of the fluorspar and quartz projects. Pursuant to the terms of the Share Subscription Agreements, the Resulting Issuer will have the right to draw down under the facilities from time to time for a term of three years from the date of the agreement. Common shares of the Resulting Issuer will be issued to GEM at a price per share equal to the higher of (i) the floor price set by the Resulting Issuer and (ii) 90% of the average closing price for common shares trading on the TSXV or TSX, as the case may be, over a period of 15 consecutive trading days preceding the closing date for the draw down. Each draw down shall be conditional upon the number of shares issued not exceeding 700 percent of the average daily trading volume over a 15-day period preceding the date of the draw down notice. Each draw down is subject to certain market out rights of GEM and approval of the TSXV or TSX, as the case may be. GEM will hold freely trading common shares of the Resulting Issuer through a share lending facility provided by certain shareholders. The Share Subscription Agreements specifically contemplated the completion by Tengri Resources Pte of a RTO transaction and the accession to the agreement by the Resulting Issuer.

Pursuant to the Share Subscription Agreements, the Resulting Issuer will pay a total fee of CDN\$6,600,000 to GEM Investments America, payable, upon the soonest of: (i) the occurrence of the first few placements under the Share Subscription Agreement; (ii) 12 months from the date of the RTO Transaction; (iii) a change of control of the Resulting Issuer; and (iv) the occurrence of a material change in ownership of the Resulting Issuer. The Resulting Issuer shall also issue warrants exercisable within five (5) years of the date of the Share Subscription Agreement. The warrants shall be priced at the closing price of the Resulting Issuer's common shares on the first day of trading upon completion of the RTO Transaction and shall be equal to up to 9.9% percent of the issued and outstanding common shares of the Resulting Issuer, on a fully diluted basis, on the first day of trading upon completion of the RTO Transaction.

The RTO Transaction

Pursuant to the RTO Agreement Cabo shall purchase Tengri Resources Pte from Phoenix for a total consideration of US\$300,000,000 in cash and shares as follows:

- (a) US\$50,000,000 paid in cash prorated over five (5) years, commencing on the second anniversary of the date of Closing the RTO Transaction.
- (b) An aggregate of 158,227,848 post-Consolidation shares in Cabo, which represents two thousand one hundred and ten (2,110) post-Consolidation shares for each one (1) issued and outstanding shares of Tengri Resources Pte held by Phoenix (the "Exchange Ratio"), which shares represent 100% of the issued and outstanding shares of Tengri Resources Pte. The deemed share value of the RTO Transaction being US\$250,000,000 (US\$1.58 x 158,227,848 post-Consolidation shares).

It is agreed between Phoenix and Cabo, that immediately prior to the closing of the RTO Transaction, Cabo will complete a consolidation (the "Consolidation") of all of its outstanding common shares (the "Cabo Securities") on the basis of one (1) security for each nineteen (19) outstanding Cabo Securities. Upon completion of the RTO Transaction and the consolidation of the Cabo Securities, Cabo Shareholders will hold 4,941,531 post-Consolidation shares.

A US\$500,000 bridge loan facility will be advanced by Phoenix to Cabo for Working Capital required during the RTO Transaction approval process. In the event Cabo requires additional working capital, Phoenix may provide a line of credit of up to US\$500,000 from the date of this Share Purchase Agreement, at terms to be agreed upon between Phoenix and Cabo.

The Company will pay a finder's fee of 500,000 consolidated common shares concurrently with the closing of the RTO Transaction, which shares will be subject to a four (4) month hold period under applicable securities laws.

Cabo intends to apply to list its common shares on the Toronto Stock Exchange (the "TSX"), graduating to the TSX from its current listing on the TSXV, as it is anticipated that the Company will satisfy the TSX's minimum listing requirements, including working capital, financial resources and property requirements. The Company also trades on the Frankfurt Exchange.

None of the Non-Arm's Length Parties to Cabo has any direct or indirect interest in Phoenix, Tengri Resources Pte or their respective assets nor are they insiders of Phoenix or Tengri Resources Pte. The RTO Transaction is an "Arm's Length Transaction" as defined in the policies of the TSXV.

Subject Conditions to RTO Transaction

The completion of the RTO Transaction will be subject to the satisfaction of certain conditions prior to closing, including, but not limited to, the following:

- Phoenix shall provide current reports, licenses and other documentation required by the TSXV, as set forth in the RTO Transaction Agreement;
- Cabo Securities shall be consolidated on a 1 new for 19 old shares basis;
- Approval of the board of directors and shareholders of Cabo and Phoenix; and
- All requisite regulatory approvals relating to the RTO Transaction, including, without limitation, TSXV or TSX approval, will have been obtained.

The Resulting Issuer – Summary of Proposed Directors and Officers

Upon completion of the RTO Transaction, each of the current directors of Cabo, being John A. Versfelt, Peter Freeman and Tom Oliver, shall remain on the board of the Resulting Issuer and Phoenix will have the right to nominate two (2) directors.

The parties anticipate that the senior management of both Cabo and Tengri Resources Pte will be combined following completion of the RTO Transaction. John A. Versfelt will continue as President and CEO, Mr. Khurlee Ankhbayar will become the Chairman and a Director and Mr. Erdenebileg Bulidan will become a Director of the Resulting Issuer.

Mr. Khurlee Ankhbayar is founding shareholder, Chairman and CEO of Tengri Holdings, which was founded in 2007. He has 30 years of experience building businesses in tourism, agriculture, construction and mining in Mongolia. He received his undergraduate degree in Foreign Languages from the Humanitarian University of Mongolia and his postgraduate diploma in Tourism & Marketing Management from Klessheim Management Institute, Austria. In recognition of his outstanding work and contribution in the private sector of the country, he was awarded the Polar Star Order of Mongolia by the President of Mongolia (2009) and he was also awarded the Leading Tourism Industry Employee Title by the Ministry of Tourism, Mongolia (2007) & Leading Trade & Industry Employee Title by the Ministry of Trade & Industry, Mongolia (2011).

Mr. Erdenebileg Bulidan is also a Shareholder, and a Member of Board of Directors of Tengri Holdings. He has 30 years of experience building businesses in the food & beverage industry, airline industry and construction and mining, in Mongolia. In recognition of his outstanding work and contribution in the private & public sector of Mongolia, he was awarded the Polar Star Order of Mongolia by the President of Mongolia (2004) and he was also awarded the Leading Food Industry Employee Title by the Ministry of Food & Agriculture Ministry, Mongolia (2006), Leading Aviation Employee Title by the Civil Aviation Authority, Mongolia (2008), Asian International Business Award “Golden Fish” (2008), and Leading Construction Employee Title by Ministry of Construction of Mongolia (2010).

Financial Information Regarding Tengri Resources Pte. Ltd.

Financial information regarding Tengri Resources Pte is currently not available. Cabo intends to disclose relevant financial information regarding Tengri Resources Pte in a future press release once it becomes available.

Sponsorship

The TSXV may require sponsorship of the RTO Transaction, unless exempt, in accordance with TSXV or TSX policies, and Cabo shall include any information regarding sponsorship in a subsequent news release.

Mongolia

Mongolia, with its democratic government, wealth of mineral resources and growing economy, is attracting international investors. According to the World Bank’s July 2018, [Mongolia Economic Update](#), despite a slowdown in the economy between 2014 and 2016, real GDP grew by 5.1 percent in 2017, supported by the 133 percent growth in coal exports in 2017. The Asian Development Bank, in its [Asian Development Outlook \(ADO\) 2018](#), projects GDP growth of 3.8% for 2018 and 4.3% for 2019, due to large investments in mining and a significant increase in foreign direct investment, which is expected to exceed US\$1 billion in 2018 and 2019.

The Government of Mongolia has been making continuous efforts to improve the investment environment and raise the efficiency of foreign investment in Mongolia. In February 2018, JLT’s [Risk Outlook](#) newsletter concluded, “Mongolia’s economy is rallying, following a fiscal and balance of payments crisis in 2016. This is being driven by resurging investment in the country’s mining sector, as the current government pursues a business-friendly policy agenda. Sovereign credit risks will continue to recede as government debt levels fall.” John A. Versfelt, the Company’s President and CEO, noted, “legislative changes and revisions to Mongolia’s tax policy in 2017 opened the doors to a three year, \$5.5 billion, multi-party financing, led by the International Monetary Fund (IMF), in May 2017, and these government led changes have been the catalyst for a flow of mining investment back into the country. We are excited to enter into Mongolia at this time, and we are thrilled to do so in partnership with a management team with decades of experience in Mongolia, a strategic vision to enhance the progress of Mongolian people and a portfolio of projects that have taken over ten years to consolidate.”

About Phoenix

Phoenix is a corporation existing under the laws of the British Virgin Islands and is the registered and beneficial owner of all of the issued and outstanding common shares in the capital of Tengri Resources Pte, which is a corporation incorporated under the laws of Singapore having its head office at Suite 1706, Romana Office, Mahatma Gandhi Street 33, Khan Uul District, Ulaanbaatar, Mongolia. Tengri Resources LLC owns all of the issued and outstanding common equity in the capital of Richfluorite, and Richfluorite owns all the issued and outstanding shares of Jonsht Gazar. Richfluorite is the registered and beneficial holder of seven (7) fluorspar mining licenses and two (2) quartz mining licenses in Mongolia and Jonsht Gazar is the registered and beneficial holder of two (2) fluorspar mining licenses in Mongolia.

About Cabo Drilling Corp. (TSX-V: CBE)

Cabo Drilling Corp. is a drilling services company headquartered in New Westminster, British Columbia, Canada. The Company provides mining specialty drilling services through its divisions in Kirkland Lake, Ontario,

Canada, with branches in Surrey, British Columbia and Springdale, Newfoundland; as well as Cabo Drilling (America); Cabo Drilling (Panama) Corp.; Balkan States Drilling SH.P.K. of Tirana, Albania; and Cabo Drilling (International) Inc. The Company's common shares trade on the Frankfurt Exchange under the symbol: DHL and on the TSX Venture Exchange under the symbol: CBE

Seymour Sears, P. Geo, a qualified person as defined by Nation Instrument ("NI") 43-101, reviewed and approved the technical information contained in this news release.

Further Information

All information contained in this news release, with respect to Cabo and Phoenix, was supplied by the parties respectively, for inclusion herein. Each party and its directors and officers have relied on the other party for any information concerning the other party.

ON BEHALF OF THE BOARD

"John A. Versfelt"

John A. Versfelt
President and CEO

Further information about the Company can be found on the Cabo Drilling website (<http://www.cabo.ca>) and SEDAR (www.sedar.com) or by contacting Mr. John A. Versfelt, Chairman, President & CEO of the Company at 604-527-4201.

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Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. 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 management information circular or 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 Cabo should be considered highly speculative.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, potential mineral recovery processes and other business transactions timing. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.