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DIAMOND DISCOVERY IN COBALT, ONTARIO

Cabo Mining Corp. announces the discovery of diamonds from a drill program on its Cobalt Area property in northeastern Ontario, Canada. A 9.3 Kg sample from Hole CC-14 that was processed by caustic fusion contained a total of 95 diamonds including 4 macrodiamonds (greater than 0.5mm in two dimensions), the largest being a 2.64 mg white, polytetrahedroid 1.36x 1.20x 1.12 mm. The Hole CC-14 diamond bearing sample was taken from a 4.15 metre interval (between 32.45m and 36.60m) within a 61.0 metre intersection of a lamprophyre and mafic breccia zone. This hole was drilled at -45° beneath a surface exposure that is over 70 metres wide and along a strike length of more than 200 metres. This zone is open in all directions. Hole CC-14 was stopped due to drill equipment complications at 74.8 metres in the breccia zone and for the time being drilling has been discontinued. No diamonds were found in the remaining seven samples from the two holes drilled CC-13 and CC-14.

The size distribution of the above mentioned diamonds is very encouraging as shown in the following table;

Sample Number	Weight (kg)	No. of diamonds per sieve size fraction in microns						
		+106	+150	+212	+300	+425	+600	Macro Ttl
02-8005	9.3	38	28	16	5	3	4	95

The sampling of the core was completed by a Qualified Person under the guidance of a geologist from an arms length diamond mining company that has provided assistance with the program. All samples were security sealed and shipped to the Saskatchewan Research Council laboratory in Saskatoon, Saskatchewan.

At this time, the Company is evaluating financing alternatives. Discussions with various financing institutions have been initiated. Furthermore, discussions with the same arms length diamond mining company are taking place at this time pursuant to their first right of refusal to acquire an interest in the Cobalt Property. They have 45 days to exercise or waive the first right of refusal upon receipt of notice from the Company with respect to the diamond test results.

In light of this discovery, and further to the Company's news release of February 26, 2002, the Company has also given notice to Prairie C that it wishes to exercise its First Right of Refusal to acquire fourteen claims in Gillies Limit in Lorrain Townships in consideration for 435,000 shares to be released over a four year period pursuant to an option agreement. These claims are contiguous to and form part of the discovery area.

The rocks targeted by the Company's exploration program are considered to be an unusual type of xenolith bearing lamprophyre occurring in the form of dykes and as a major component of volcanic breccias. The lamprophyre occurs in the volcanic breccias as fragments, matrix and as distinct dykes and are best described as lamprophyric diatremes. Although petrographic studies of the Cobalt Area include rocks at a very early stage, these host rocks appear similar in appearance, age and geological setting to the diamond bearing lamprophyres and volcanic breccias currently being explored 400 kilometres to the west, in the Wawa Area, Ontario.

The area drilled includes several distinct phases of xenolith bearing dykes, one of which contained micro-chip diamonds in limited surface sampling carried out and reported in 2000.

ON BEHALF OF THE BOARD

(signed "John A. Versfelt")

John A. Versfelt
President & CEO

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The TSX Venture Exchange has neither approved nor disapproved of the contents contained herein.