

# CAPITAN MINING DRILLS 56.4M OF 0.75 G/T AUEQ INCLUDING 10.7M OF 1.19 G/T AUEQ AT CAPITAN GOLD ZONE AT THE PEÑOLES PROJECT

Vancouver, British Columbia--(Newsfile Corp. - July 7, 2021) - **Capitan Mining Inc. (TSXV: CAPT) ("Capitan" or the "Company")** is pleased to report results for four reverse-circulation (RC) drill holes from the Capitan oxide-gold deposit, at its 100%-owned Peñoles project in Durango, Mexico.

## **Highlights:**

- **Hole 21-CARC-33** returned **56.4m at 0.75 g/t Aueq**, including a higher-grade interval of **10.7m grading 1.19 g/t Aueq**
- **Hole 21-CARC-31** returned a higher-grade interval of **29m at 0.55 g/t Aueq** from the Capitan Main Zone which was within a continuous interval of **187.5m at 0.24g/t Aueq**
- All holes reported herein significantly extended oxide gold mineralization down-dip, and down plunge, with all zones remaining open in gold mineralization
- Capitan has commenced its summer exploration program which will include 6,000 metres of RC drilling and will focus on expanding of the Capitan gold deposit and nested higher-grade shoots

## **Discussion**

All holes reported herein were designed to either extend Capitan style mineralization down-dip/down plunge along section lines, or as infill hole(s) that attempt to refine the boundaries and extend the continuity, of high-grade shoots that are nested within the Capitan deposit mineralized envelope.

## **Step-out holes: Expanding the Capitan Zone Footprint**

Drillholes 21-CARC-30, 31, and 32 were designed to expand Hanging wall style and Capitan Style, oxide mineralization down-dip along section lines 550, 100, and 450 respectively (**see Figure 1**).

All drillholes successfully intersected both Hanging Wall style and Capitan style mineralization, extending both zones between 70 and 170m down-dip, along section. Additionally, all holes intersected and extended the oxide gold envelope down-dip, with sulphide mineralization only being reached towards the termination of holes 21-CARC-30 and 31 (**see Figure 2a**). The best results intersected include **29m of 0.55g/t Aueq** within a continuous interval of **187.5m grading 0.24 g/t Aueq** in hole 21-CARC-31, and **41.1m of 0.31 g/t Aueq** in hole 21-CARC-32, both coming from the Capitan Main Zone.

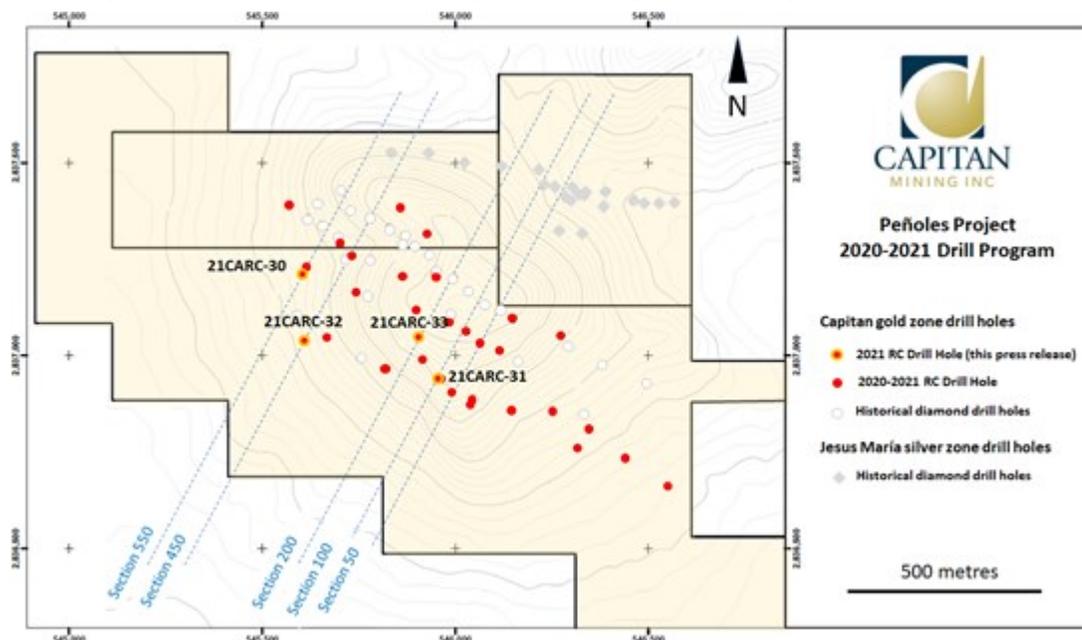
## **Infill Holes: Confirming and expanding the Continuity of high grade shoots**

Drillhole 21-CARC-33 was designed to test the continuity of a higher-grade shoot of mineralization that has been traced for over 300m down plunge and over 100m width, which typically returns grades greater than 1 g/t Au. This zone is one of three that have been identified within the Capitan deposit mineralized envelope, and typically plunge shallow (20-25 degrees) to the southwest. The hole successfully intersected the higher-grade shoot, returning **56.4m at 0.75 g/t Aueq**, including a higher-grade interval of **10.7m grading 1.19 g/t Aueq**, extending the higher-grade shoot down plunge by approximately 40m from drillhole 20-CARC-12, which returned **36.5m of 0.91 g/t Aueq** within a larger interval of **73.15m of 0.63 g/t Aueq**. Additionally, hole 21-CARC-33 confirms that silver mineralization is continuing to increase at depth, along the western margin of the higher-grade shoot, with values of **16.7 g/t Ag over 10.7m** being returned.

## **Spring-Summer exploration program**

Capitan completed its initial 6,000-metre drill program in early 2021 and began a second stage of drilling in the spring that will continue through the summer working on expanding mineralization in the Capitan gold zone. The Company expects to drill approximately 6,000 metres of reverse-circulation drilling during this period as well as to continue surface exploration work on additional targets within the Peñoles project in order to advance them towards a drill stage.

**Capitan's CEO, Alberto Orozco, stated:** *"We are very pleased with the continuity that the Capitan gold zone has shown with each batch of drill holes that we have released. This additional drilling has not only expanded the presence of gold mineralization in the Capitan zone, but it has also helped our geological team have a better understanding of the geology and structural controls for the mineralization at the Capitan gold zone. The presence of silver mineralization in that zone is one of the points we continue to study."*



**Figure 1: 2020-2021 Drill Hole Map at Capitan Hill Target**

To view an enhanced version of Figure 1, please visit:

[https://orders.newsfilecorp.com/files/7373/89602\\_c4091323a44a682d\\_002full.jpg](https://orders.newsfilecorp.com/files/7373/89602_c4091323a44a682d_002full.jpg)

**Table 1. Table of Drill Results**

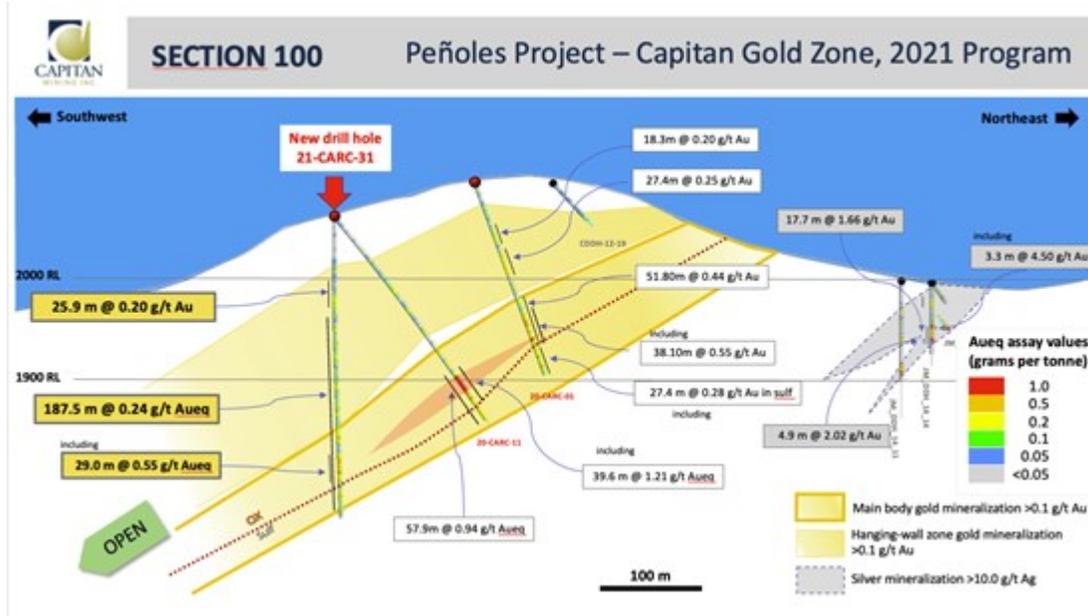
Hole Name	Az.	Dip	Section	Zone	From (m)	To (m)	Interval (m)	AuEq (g/t) *	Au (g/t)	Ag (g/t)	OX-SUL
21-CARC-30	360	90°	-550								
Interval				Capitan Main	132.6	138.7	6.1	0.34	0.28	5.10	OX
Interval				Capitan Main	182.9	192.0	9.1	0.20	0.15	4.35	OX
Interval				Capitan Main	198.1	204.2	6.1	0.16	0.14	1.95	OX
Interval				Capitan Main	216.4	227.1	10.7	0.15	0.11	3.30	OX
Interval				Capitan Main	234.7	243.8	9.1	0.21	0.15	5.02	SUL
21-CARC-31	360	90°	-100								
Interval				Hanging Wall	76.2	102.1	25.9	0.20	0.20	NSV	OX
<b>Interval</b>				<b>Capitan Main</b>	<b>109.7</b>	<b>297.2</b>	<b>187.5</b>	<b>0.24</b>	<b>0.23</b>	<b>1.23</b>	<b>MIX</b>
<b>including</b>				<b>Capitan Main</b>	<b>236.2</b>	<b>265.2</b>	<b>29.0</b>	<b>0.55</b>	<b>0.51</b>	<b>2.78</b>	<b>OX</b>
including				Capitan Main	278.9	297.2	18.3	0.21	0.15	5.02	SUL
21-CARC-32	28	50	-450								
Interval				Hanging Wall	137.2	143.3	6.1	0.28	0.26	1.39	OX
Interval				Hanging Wall	189.0	199.6	10.7	0.30	0.25	3.81	OX
Interval				Capitan Main	225.6	266.7	41.1	0.31	0.24	5.39	OX
21-CARC-33	28	60	-200								
Interval				Hanging Wall	79.2	117.3	38.1	0.26	0.26	NSV	OX
<b>Interval</b>				<b>Capitan Main</b>	<b>163.1</b>	<b>219.5</b>	<b>56.4</b>	<b>0.75</b>	<b>0.58</b>	<b>13.78</b>	<b>OX</b>
<b>including</b>				<b>Capitan Main</b>	<b>179.8</b>	<b>190.5</b>	<b>10.7</b>	<b>1.19</b>	<b>0.99</b>	<b>16.07</b>	<b>OX</b>

**Note:** Only drill intercept lengths are reported in the table. Drill holes are designed to cut the mineralized zones as close to true width as possible, with true widths ranging from 70-95% of the reported drilled length.

\* Gold equivalent calculated at 80:1 ratio

NSV: No significant values.

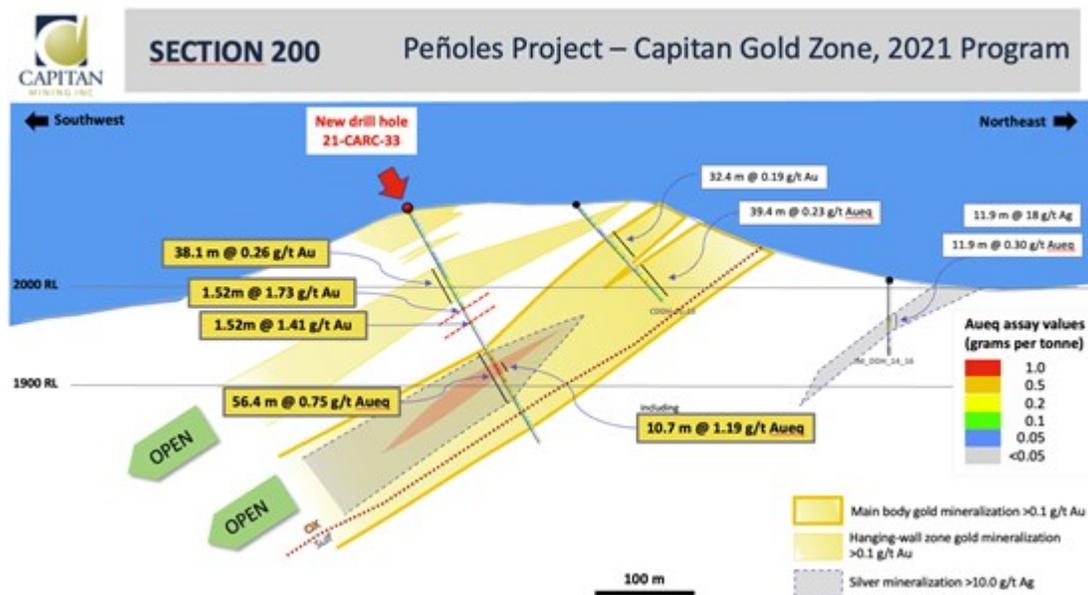
MIX: Total length of mineralization that includes a top oxide interval and a bottom sulphide interval.



**Figure 2a: Cross Section 21-CARC-31**

To view an enhanced version of Figure 2a, please visit:

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**Figure 2b: Cross Section 21-CARC-33**

To view an enhanced version of Figure 2b, please visit:

[https://orders.newsfilecorp.com/files/7373/89602\\_c4091323a44a682d\\_004full.jpg](https://orders.newsfilecorp.com/files/7373/89602_c4091323a44a682d_004full.jpg)

### **Qualified Person & QA/QC:**

The scientific and technical data contained in this news release pertaining to the Peñoles Project was reviewed and approved by Marc Idziszek, P.Geo, a non-independent qualified person to Capitan Mining, who is responsible for ensuring that the technical information provided in this news release is accurate and who acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Capitan Mining Inc. has a Quality Assurance/Quality Control program that includes insertion and verification of control samples including standard reference material, blanks and duplicates consistent with industry standards.

RC drill samples from the Peñoles Project are collected and split at the drill site using a Gilson Universal Splitter. The samples are stored in either plastic bags (dry) or micropore bags (wet) and secured with plastic zip-ties and then transported to the preparation laboratory of Bureau Veritas in Hermosillo, Sonora. The sample pulps are then transported to the Bureau Veritas' laboratory in Vancouver, where they are assayed for gold by fire assay with atomic absorption finish (FA430 assay method code; 0.005 to 10 ppm detection limit). Samples over 10 ppm Au are assayed with gravimetric finish (Assay code FA530). All samples are also assayed by ICP-ES (code AQ300) for a suite of 33 elements.

All summarized intervals reported in this press release were calculated using a 0.10 ppm Au cut-off grade. Intervals contain no more than 3 metres of internal dilution. High grades have not been capped.

### **About Capitan Mining Inc.:**

Capitan Mining is a well-funded junior exploration company focused on its 100% owned gold and silver Peñoles Project in Durango, Mexico. The company is led by a management team that has successfully advanced and developed several heap leach operations in Mexico over the past 16 years. More information for the Company can be found at [www.capitanmining.com](http://www.capitanmining.com).

ON BEHALF OF CAPITAN MINING INC.

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