

Capitan Silver to Receive Strategic Investment from Jupiter Silver & Gold Fund as Part of a Non-Brokered Private Placement to Raise up to C\$4.2 Million

Vancouver, British Columbia--(Newsfile Corp. - January 21, 2025) - **CAPITAN SILVER CORP. (TSXV: CAPT) ("Capitan" or the "Company")** is pleased to announce its intention to raise up to C\$4.2 million through a non-brokered private placement (the "**Offering**"). The Offering is expected to be led by a strategic investment from the Jupiter Gold & Silver Fund ("**Jupiter**"). Capitan intends to raise up to C\$4,200,000 by issuing up to a total of 10,500,000 units of the Company (the "**Units**") at a price of C\$0.40 per Unit.

Each Unit shall be comprised of one common share in the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant will be exercisable for a period of 12 months from the Closing Date (as defined below) (the "**Exercise Period**") at an exercise price of C\$0.50 per Share, subject to the Company's Acceleration Right and Exercise Price Adjustment, as discussed further below under "**The Offering**".

The proceeds from the financing will be used to fund exploration programs at the Company's Cruz de Plata Project, additional consolidation opportunities and general corporate expenses.

Key Highlights:

- **New High Profile Lead Investor:**
 - Strong endorsement of Capitan's Cruz de Plata project from a leading, high-profile institutional silver fund, Jupiter.
 - Jupiter Asset Management is a leading global asset management firm with assets under management of ~C\$90 billion (as of Sept 2024).
 - On closing of the Offering, Jupiter Gold & Silver Fund is expected to subscribe for 8,375,000 Units and will thereby own approx. 9.9% of Capitan's issued and outstanding shares on an undiluted basis.
- **Financing Terms:** Units priced at a C\$0.40/unit, representing a 31.1% premium to the previous trading day's closing price on the TSX Venture.
- **Warrant Early Exercise:** Warrants may be required to be exercised on an accelerated basis following the achievement of a significant property transaction at Cruz de Plata, as determined by Capitan in its sole discretion, upon written notice to the holders of the Warrants, pursuant to the Acceleration Right (as defined below).
- **Key Shareholder Support:** It is expected that both Michael Gentile, CFA and Construcciones Planificadas (Construplan) will reaffirm their long-term commitment and support for Capitan with their participation in the Offering.
- **Fully Funded for Exploration Program for 2025:** Capitan intends to ramp up drilling at Cruz de Plata.

Alberto Orozco, Capitan's CEO stated:

"I am very pleased to announce that this private placement will be led by Jupiter, a new strategic investor in Capitan. Jupiter has deep technical expertise and a track record for identifying great investment opportunities early. We are grateful for their investment and look forward to a strong partnership with them."

This transaction represents the third time we will have been able to attract a new strategic investor and

the second consecutive time the Company will have financed at a premium to our trading price. Combined with the recent news of the addition of Mr. Fernando Alanis-Ortega (past CEO of Industrias Peñoles), I'm excited to see the growing interest from key strategic groups and industry leaders in the potential at our Cruz de Plata project.

I'd like to welcome Jupiter as a partner and thank the rest of our great shareholders for their continued support. Following closing of this financing we will be fully funded to advance our Cruz de Plata project in 2025."

The Offering

Each Unit shall be comprised of one common share in the Company (a "**Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant will be exercisable for a period of 12 months from the Closing Date (as defined below) (the "**Exercise Period**") at an exercise price of C\$0.50, subject to the Company's Acceleration Right and Exercise Price Adjustment, as defined and as further described below.

During the Exercise Period, at any time following the public announcement of a significant property acquisition (the "**Acceleration Event**") as determined by the Company in its sole discretion, the Company shall have the right (the "**Acceleration Right**"), exercisable in its sole discretion by way of providing written notice to the holders of the Warrants, to accelerate the expiry of the Warrants to a date (the "**Accelerated Expiry Date**") which is 30 calendar days following such written notice. If the Company exercises its Acceleration Right, the holders of the Warrants shall be required to exercise or cause the exercise of all unexercised Warrants held by such holders and pay the aggregate exercise price in respect of such Warrants to the Company prior to the Accelerated Expiry Date. If, immediately prior to the public announcement of the Acceleration Event, the last closing price of the Shares on the TSX Venture Exchange ("**TSXV**") is less than C\$0.50, the exercise price of the Warrants shall be adjusted to C\$0.40 (the "**Exercise Price Adjustment**"), subject to applicable TSXV rules. In the event of any default by a holder of any Warrants in respect of the exercise of the Warrants following the exercise by the Company of the Acceleration Right, the Company may terminate such holder's Warrants in addition to any other remedies available to it under law or equity.

Closing is scheduled for January 27th, 2025 or such other date(s) as may be determined by the Company. Closing of the Offering is subject to certain conditions including, but not limited to, completion of closing documentation and receipt of all necessary approvals, including the approval of the TSXV. The securities issued under the Offering will have a hold period of four months and one day from the Closing Date. No finder's fees or commissions are payable in connection with the Offering.

Use of Funds

The proceeds from the financing will be used to fund exploration programs at the Company's Cruz de Plata Project, additional consolidation opportunities and general corporate expenses.

Related Party Considerations

As Michael Gentile and certain other insiders of the Company are expected to participate in the Offering, the Offering is expected to constitute a "related party transaction" within the meaning of within the meaning of Policy 5.9 of the TSX-V rules and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") insofar as it involves such insiders.

Related party transactions require a formal valuation and minority shareholder approval unless exemptions from these requirements are available under applicable Canadian securities laws. In connection with the Offering, the Company expects to rely on the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 (as a result of the Common Shares being listed on the TSX-V). With respect to an exemption from the minority approval requirement in connection with the Offering,

the Company expects to rely on the exemption in section 5.7(1)(a) of MI 61-101 (as neither the fair market value of securities which may be distributed to, nor the consideration which may be paid by, the related parties under the Offering are expected to exceed 25% of Capitan's market capitalization).

This press release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available.

About Jupiter Asset Management and Jupiter Gold and Silver Fund

Jupiter Asset Management is a globally recognized investment firm specializing in innovative strategies across a diverse range of asset classes. With a heritage of active, high-conviction investing, Jupiter is known for its expertise in precious metals, particularly through the Jupiter Gold and Silver Fund. The fund combines strategic allocations to physical bullion and mining equities, positioning investors to capitalize on both monetary and industrial trends in gold and silver. Jupiter's commitment to sustainability and rigorous research ensures its investments align with the highest standards of governance and long-term value creation.

About Capitan Silver Corp.

Capitan Silver Corp. (TSXV: CAPT) is a Canadian exploration company focused on advancing its Cruz de Plata silver gold project located in Durango, Mexico. The Company is led by a management team that has successfully advanced and developed several precious-metal operations in Mexico over the past 16 years.

More information for the Company can be found at www.capitansilver.com.

ON BEHALF OF CAPITAN SILVER CORP.

"Alberto Orozco"

Alberto Orozco, CEO

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Certain statements in this press release may be considered forward-looking information. These statements can be identified by the use of forward-looking terminology (e.g., "expect", "estimates", "intends", "anticipates", "believes", "plans"). Such forward-looking statements include, but are not limited to the Company's expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering, statements respecting completion of the Offering and the anticipated investments by Jupiter, Michael Gentile and Construplan, receipt of all regulatory approvals in respect of the Offering, including approval of the TSXV, Capitan's exploration drilling programme, and

exploration potential and project growth opportunities at the Cruz de Plata Project. Such information involves known and unknown risks -- including the availability of funds, the results of financing and exploration activities, the interpretation of exploration results and other geological data, general political and economic conditions, fluctuations in metal prices and other market-related risks, including any volatility in the Company's share price, unanticipated costs and expenses and other risks identified by Capitan in its public securities filings that may cause actual results to differ materially from the forward-looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release.

Neither the 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.

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