

Capitan Silver Announces Closing of C\$5.3 Million Private Placement

Vancouver, British Columbia--(Newsfile Corp. - February 24, 2025) - **CAPITAN SILVER CORP. (TSXV: CAPT) ("Capitan" or "the Company")** is pleased to announce that the Company has closed its previously announced private placement (the "**Private Placement**") by issuing 13,250,000 Units (the "**Units**") at a price of \$0.40 per Unit for gross proceeds of \$5,300,000.00 (the "**Offering**").

The Offering was led by a strategic investment from the Jupiter Gold & 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). Upon closing Jupiter will own approximately 9.8% of Capitan's shares on an undiluted basis. In addition, the Company also received support from its largest shareholders including Michael Gentile, CFA; and Construcciones Planificadas (Construplan).

Insiders of the Company acquired an aggregate of 287,500 Units in the Offering. Any participation by insiders in the Offering constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company has relied on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61 101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61 101, in respect of the related party participation in the Offering, as neither the fair market value (as determined under MI 61 101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the interested party, exceeded 25% of the Company's market capitalization (as determined under MI 61 101).

Terms of The Offering

Each Unit will consist of one common share (a "**Share**") in the capital of the Company and one common share purchase warrant (each whole common share purchase warrant being a "**Warrant**"). Each Warrant will be exercisable to acquire one Share at a price of CDN\$0.50 per Share for a period of 12 months from the date of issuance subject to an Acceleration Right.

During the Exercise Period, the Company shall have the right (the "**Acceleration Right**"), exercisable in its sole discretion by way of providing written notice (the "**Acceleration Notice**") to holders of Warrants, to accelerate the expiry of the Warrants to a date (the "**Accelerated Expiry Date**") which is 30 calendar days following the date of the Acceleration Notice. In order for the Company to exercise the Acceleration Right: (i) the closing price of the Company's Shares on the TSX Venture Exchange on the trading day immediately prior to the date of the Acceleration Notice must be greater than C\$0.50; and (ii) any Acceleration Notice shall be delivered to holders of Warrants no earlier than the day immediately after the trading day immediately following the date of a public announcement of a significant property acquisition, as determined by the Company in its sole discretion.

If the Company exercises its Acceleration Right, holders of 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. In the event of a failure of a holder to exercise Warrants following the exercise by the Company of the Acceleration Right, the Warrants will terminate on the Accelerated Expiry Date, and the Company may seek any other remedies available to it under law or equity.

At the request of the TSXV, the Company is clarifying the automatic adjustment to warrant exercise price which was disclosed in the initial press release announcing the private placement is no longer in place.

Capitan intends to use the net proceeds from the Private Placement to fund exploration activities at its Cruz de Plata gold-silver project, additional consolidation opportunities as well as to fund working capital

and general corporate expenses.

Closing of the Offering is subject to certain customary conditions, including, but not limited to, the receipt of all necessary regulatory approvals and acceptance of the TSX Venture Exchange. All securities issued under the Offering will be subject to a statutory hold period expiring June 25, 2025. The Company did not pay any finders fees with respect to this Offering.

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 Capitan Silver Corp.

Capitan Silver is a well-funded junior exploration company focused on its 100% owned gold and silver Cruz de Plata Project in Durango, Mexico. The Company is led by a management team that has successfully advanced and developed several gold and silver operations in Mexico over the past 20 years.

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

ON BEHALF OF CAPITAN SILVER CORP.

"Alberto Orozco"
Alberto Orozco, CEO

For additional information contact:

Alberto Orozco
CEO
Capitan Silver Corp.
info@capitansilver.com
Phone: (778) 327-6671
Web: www.capitansilver.com

IR Team
Capitan Silver Corp.
info@capitansilver.com
Phone: (778) 327-6671
Web: www.capitansilver.com

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 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, or unanticipated costs and expenses and other risks identified by Capitan in its public securities filings that may cause actual events to differ materially from current expectations. 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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