Exploration Update: Several Multi-Kilometer Silver Trends Identified at Cruz de Plata

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Vancouver, May 24, 2023 - CAPITAN MINING INC. (TSXV: CAPT) ("Capitan" or "the Company") is pleased to provide an exploration update for its Cruz de Plata project.

Highlights:

- New interpretation and analysis at Cruz de Plata based on data collected to date, identifies several important large trends that are prospective for future silver and gold discoveries:
  - Jesus Maria Silver vein projects to a potential strike of 2.8 km
  - Santa Teresa Silver vein projects a potential strike of 1.8 km
  - San Rafael North Silver vein projects a potential strike of 1.3 km before going under cover
  - New disseminated oxide gold target developing at Eastern end of Capitan vein projection, along the same stratigraphic contact that host the Capitan oxide gold deposit. Capitan East has a potential strike of at least 500m
- New assays from surface sampling program at San Rafael North target returned values up to 1,263 g/t silver and 0.74 g/t gold from a grab dump sample beside an old mine working. This confirms the presence of high-grade silver mineralization at San Rafael
- Assays from surface rock sampling along the Santa Teresa West high-grade silver trend (New) returned up to 410 g/t silver, 0.9 g/t gold, 1.7% lead and 0.7% zinc over 0.6m.
- Surface rock sampling data shows continuity of mineralization at the Jesus Maria high-grade silver trend to a potential strike of 2.8 km
- New targets developing on recently acquired property, Providencia West (Ag-Au-Pb-Zn) and Providencia East (Ag-Au)
- Metal zonation suggests that Cruz de Plata hosts a robust mineralized system and has significant potential for additional discoveries
- Final drill results from the 2022 RC drill program continue to expand mineralization at Cruz de Plata

Surface sampling at Cruz de Plata and Metal Zonation

The Cruz de Plata Project contains 855 recent samples collected by Capitan Silver, 262 samples within the recently-acquired claims acquired from Fresnillo and 1,805 historical samples by previous operators (2011-2014) for a total of 2,922 surface rock samples. Assays for these samples have been plotted and crossed checked with the geology at Cruz de Plata to define three metal zones which include multiple targets (See Fig. 1). These zones are:

- Silver-Gold-Lead-Zinc: Includes Cruz de Plata's main and most advanced target, the Jesus María vein (1) as well as Santa Teresa (2), Providencia West (8) and at depth below the Capitan gold deposit, Jesus Maria South (7)
- High-grade Silver-Gold: Includes the second most advanced target, the Gully Fault Ag-Au zone (4), and the San Rafael North (3) and Escondida targets (6) to the East, as well as the new Providencia East target (8) to the northeast
- Vein hosted/Disseminated Gold: Includes the Capitan vein (5), disseminated Capitan oxide gold deposit and Capitan East target which is located along the continuation of the sediments-volcanics boundary to the East (5)

Metal zonation appears to follow stratigraphic control and proximity to the diorite-granodiorite intrusive, which sits in the northern part of the property. High-grade silver mineralization appears to be proximal to the intrusive, mainly at the contact between the skarn alteration and the shales-limestones. Gold mineralization is observed more distal from the intrusive primarily at the contact of the sediments and the overlying tertiary rhyolites and volcanic breccias. A transition is observed on the silver trend from base-metal rich and higher arsenic to the west to base metal poor and low arsenic to the east. Currently this transition is interpreted to be a vertical zonation of the veins resulting in its current outcrop form by faulting and tilting mainly by the

Peñoles fault.

Figure 1. Highlight surface samples, metal zonation and vein targets at the Cruz de Plata project, Durango, Mexico.

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High-Grade Trends and Targets

Expansion of High-Grade Trends and Targets

Drilling, prospecting and recent mapping has helped define a minimum of seven (7), multi-kilometer, high-grade silver trends and targets (shown in figure 2). This new interpretation, aided by the recent acquisition of claims from Fresnillo, which consolidated the main silver trend in the district, has led to a significant increase in the untested strike potential across the Cruz De Plata property package.

The most advanced targets to this point include western portions of the Jesus Maria Vein, and portions of the Gully Fault Zone, with the majority of Jesus Maria (Central and Eastern portions), Santa Teresa, and San Rafael North targets, defined by surface sampling and minimal, widely spaced, shallow drilling. It should be noted that the cumulative strike length of the targets above is approximately 7 km, with the majority of the current drilling concentrated over a 500-700m area at the western most portion of the Jesus Maria/Gully Fault zones. Drill results (previously released, table 1) from Jesus Maria and the Gully Fault zones demonstrate high, multi-ounce silver grades with good continuity along strike and at depth, from historic surface sampling and trenching (See Fig. 2). These results reflect the attention this area has received from multiple drill programs.

Future work along the silver trends in figure 2 include additional surface trenching and geochemistry to help prioritize these targets for first pass drilling or expansion drilling.

Figure 2: High Grade Trends and Targets, Cruz De Plata Property

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/7373/167261_d518d11cc464ab7a_003full.jpg

2022 Drill Program at Jesus Maria Silver Trend

In 2022, following the acquisition of the Altiplano royalty on the Cruz de Plata project (PR date January 13, 2022), Capitan begin to focus on the robust silver opportunity on its property. In total 6,449 m have been drilled by Capitan with the following RC drill holes intersecting bonanza grade silver mineralization (See table 1 for additional results and detail):

- 21-JMRC-01: 42.7m of 207.82 g/t AgEq including 1.5m of 1,099.34 g/t AgEq and also including 1.5m of 1,267.22 g/t AgEq
- 21-JMRC-03: 10.7m of 403.43 g/t AgEq including 1.5m of 739.63 g/t AgEq, also including 1.5m of 800 g/t AgEq and also including 1.5m of 595.52 g/t AgEq
- 21-JMRC-10: 16.8m of 309.82 g/t AgEq including 1.5m of 2,250.12 g/t AgEq
- 21-JMRC-12: 21.3m of 133.04 g/t AgEq including 1.5m of 455.13 g/t AgEq and also including 1.5m of 305.61 g/t AgEq
- 22-JMRC-22: 10.7m of 314.54 g/t AgEq including 1.5m of 1,431.68 g/t AgEq

Silver mineralized zones intersected at the Jesus Maria vein with the RC drilling, were as large at 42m wide

and averaged approximately 10m in true width.

In late November 2022, Capitan acquired a key property from Fresnillo which allowed for the consolidation of high-grade silver vein trends at Cruz de Plata (See press release dated December 06, 2022). To date Capitan has confirmed the presence of high-grade silver mineralization through drilling at the Jesus Maria vein over 1.3km with mineralization remaining open along strike and at depth.

The latest two drill holes in the program continued to target the down-dip and on-strike continuity of mineralization at the Jesus Maria vein and Gully Fault targets. Drillhole 22-JMRC-23 targeted the down-dip extension of the Jesus Maria Vein while drillhole 22-JMRC-24 targeted the down-plunge extension of the Gully Fault Zone (See Fig. 3). Drillhole 22-JMRC-23 intersected a new zone of mineralization located approximately 40m above the down plunge extension of the Gully Fault Zone, returning 118.44 g/t AgEq over 6.1m. The drillhole also intersected the main Jesus Maria Vein at depth, extending the zone an additional 105m down-dip, but mainly returned a wide intersection of lower grade mineralization including 24.4m of 48.95 g/t AgEq, which included 1.52m of 194.92 g/t AgEq.

Drillhole 22-JMRC-24 was designed to test the orientation of the down-plunge extension of the Gully Fault zone. The hole appears to have been drilled too shallow and above the down-plunge extension of high-grade mineralization. The hole returned mainly low-grade silver mineralization, that appears to potentially line-up with the new zone intersected in hole 22-JMRC-23.

Figure 3. Drill map for Jesus María West and Santa Teresa East veins

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Pilot Drill Program at New Santa Teresa East Target

The Santa Teresa vein has been sampled on its westernmost and easternmost ends with assays in the west of up to 443 g/t Ag and up to 3.08 g/t Au with base metal contents in surface rock samples (table 2). At the eastern portion Santa Teresa vein, surface rock samples, with a 100 g/t Ag cutoff have returned between 132 g/t Ag and 209 g/t Ag over a strike length of about 500m. The eastern end of the Santa Teresa silver trend consists of multiple, historic mine workings and is located immediately north of the historic San Rafael historic mine workings on the eastern end of the Jesus Maria vein.;New sampling along the eastern portion of this trend assayed 1,364 g/t Ag and 0.74 g/t Au, indicative of the grades that had been mined at the site historically. This is also consistent with data reported by Riverside Resources which indicated that grades of around 1,000 g/t Ag were mined at San Rafael (See Riverside Press Release dated December 12, 2008).

In December 2022, Capitan designed a small pilot RC drill program to test the on-strike and down-dip continuity of the Santa Teresa target (See Figure 3). Four widely-spaced holes were drilled along the Santa Teresa zone with all of them intersecting multiple, sub-parallel zones of mineralization. Hole 22-SRRC-01 intersected 1.52m of 122 g/t Ag, within a wider 4.6m interval of 70.23 g/t Ag and 0.105 g/t Au; as well as a wide intercept of mineralization of 10.7m of 32.46 g/t Ag and 0.14 g/t Au. Hole 22-SRRC-03 intersected 1.52m of 182 g/t Ag and 0.105 g/t Au and hole 22-SRRC-04 intersected 3.0m of 127.4 g/t Ag (Table 3). While these drill holes did not intersect the expected higher grades, the wide-spaced program confirmed the continuity of silver and gold mineralization in the eastern most projections of the Santa Teresa vein over a strike length of about 370m and to a down-dip length of up to 270m. Follow-up drilling will continue to focus on the locating high-grade shoots within these zones.

Table 1. Highlights from previously reported drill holes from the high-grade silver targets

JM_DDH_11_01	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	194.5	196.9	2.5	257.80	113.63	0.132	2.46	2.141
Including	194.5	195.1	0.6	931.15	392.55	0.416	9.55	7.800
JM_DDH_13_06	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)

Interval	66.6	80.3	13.7	381.06	280.40	0.171	1.19	2.121
Including	79.4	80.3	0.9	3,567.36	3,409.10	0.355	3.42	7.120
JM_DDH_13_07	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	114.7	120.7	6.0	368.26	363.03	0.109	0.27	0.354
Including	114.7	116.7	2.0	970.77	988.50	0.225	0.34	0.490
JM_DDH_14_10	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	18.9	59.5	40.6	160.05	123.89	0.536	0.07	0.138
Including	27.7	32.0	4.3	786.50	732.24	1.201	0.13	0.348
JM_DDH_14_24	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	52.7	94.6	42.0	244.72	227.24	0.377	0.05	0.113
Including	79.0	86.1	7.1	1,024.38	988.43	1.240	0.13	0.189
21-JMRC-01	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	18.3	61.0	42.7	207.82	154.15	0.371	0.46	0.716
Including	19.8	21.3	1.5	1,099.34	1,044.00	1.028	0.80	0.730
Including	29.0	30.5	1.5	1,267.22	1,271.00	0.534	0.49	0.646
Including	38.1	39.6	1.5	341.60	286.00	0.660	0.38	0.493
Including	50.3	53.3	3.0	311.33	154.50	0.658	1.65	2.195
21-JMRC-03	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	77.7	88.4	10.7	403.43	177.44	0.371	3.20	3.569
Including	79.2	80.8	1.5	739.63	290.00	0.762	6.82	6.560
Including	83.8	85.3	1.5	799.99	370.00	0.271	5.59	8.130
Including	86.9	88.4	1.5	595.52	281.00	0.513	5.92	3.820
21-JMRC-07	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	112.8	135.6	22.9	71.53	56.91	0.101	0.13	0.219
Including	131.1	132.6	1.5	398.67	342.00	0.390	0.65	0.942
21-JMRC-10	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	16.8	33.5	16.8	309.82	291.20	0.383	0.15	0.161
Including	19.8	21.3	1.5	2,250.12	2,217.00	1.766	1.06	0.438
22-JMRC-12	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	15.2	36.6	21.3	133.04	100.50	0.249	0.25	0.421
Including	21.3	22.9	1.5	455.13	383.00	0.584	0.94	0.842
Including	24.4	25.9	1.5	305.61	239.00	0.331	0.96	0.917
22-JMRC-14	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	140.2	144.8	4.6	218.68	183.10	0.632	0.05	0.049
Including	141.7	143.3	1.5	577.98	504.00	1.450	0.11	0.037
22-JMRC-22	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	74.7	85.3	10.7	314.54	287.24	0.481	0.19	0.179
Including	74.7	76.2	1.5	1,431.68	1,381.00	1.358	0.85	0.480

Intervals are reported as drilled lengths. True widths are approximately 70-95% of reported interval
Ageq values are calculated as follows: Ageq = (Ag x 0.94) + (Au x 0.86 x 80) + (Zn x 0.037 x 0.935) + (Pb x 0.03 x 0.92)
Recoveries have been estimated using an average of similar polymetallic deposits in Mexico as well as preliminary metallurgical work from 2014
Intervals are calculated based on a 25g/t Ageq cut-off (including recoveries) with no more than 3m of internal waste

Table 2. Highlight surface chip samples from the Santa Teresa West target

Sample	Easting	Northing	Length	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
69090	546,307	2,837,835	0.5	0.141	342	1.69	2.9
69091	546,307	2,837,835	0.6	0.904	410	1.67	0.7

69095	546,412	2,837,853	0.8	1.745	128	1.9	1.25
69096	546,412	2,837,853	0.6	3.083	344	0.77	0.67
69098	546,374	2,837,725	0.9	2.126	183	2.97	0.76
69102	546,128	2,837,868	0.6	0.539	414	2.4	0.38
69108	546,472	2,838,002	1.4	0.518	443	0.15	0.24
69113	546,546	2,838,000	0.9	0.24	140	0.007	0.01
69115	546,547	2,837,998	0.8	0.456	156	0.06	0.04
69117	546,569	2,837,990	1.4	0.202	147	0.08	0.18
69870	546,059	2,838,094	0.4	0.426	147	2.4	2.99

Table 3. Drill results from Jesus Maria-Gully Fault zone drilling

22-JMRC-23	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	115.8	121.9	6.1	118.44	102.78	0.120	0.03	0.371
Including	118.9	120.4	1.5	213.12	185	0.195	0.02	0.738
Interval	228.6	253.0	24.4	48.95	16.16	0.262	0.19	0.303
Including	231.7	233.2	1.52	194.92	82.3	0.275	1.49	1.67

22-JMRC-24	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Interval	109.7	111.3	1.5	79.98	55.40	0.401	0.00	0.008
Interval	117.3	118.9	1.5	93.73	93.60	0.072	0.02	0.010

Intervals are reported as drilled lengths. True widths are approximately 70-95% of reported interval
Ageq values are calculated as follows: Ageq = (Ag x 0.94) + (Au x 0.86 x 80) + (Zn x 0.037 x 0.935) + (Pb x 0.03 x 0.92)
Recoveries have been estimated using an average of similar polymetallic deposits in Mexico as well as preliminary metallurgical work from 2014
Intervals are calculated based on a 25g/t Ageq cut-off (including recoveries) with no more than 3m of internal waste

Table 4. Drill results from Santa Teresa-Jesus Maria East zones drilling

22-SRRC-01	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)
Interval	29.0	33.5	4.6	73.58	70.23	0.105
Including	29.0	30.48	1.5	118.88	122	0.055
Interval	51.8	62.5	10.7	40.98	32.36	0.140
22-SRRC-02	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)
Interval	135.6	137.2	1.5	72.94	49.50	0.380
Interval	157.0	164.6	7.6	55.83	48.20	0.146
22-SRRC-03	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)
Interval	9.1	10.7	1.5	41.99	19.70	0.332
Interval	27.4	33.5	6.1	58.48	55.85	0.084
Including	32.0	33.5	1.5	178.55	182	0.105
22-SRRC-04	From (m)	To (m)	Interval (m)	AgEq (g/t)*	Ag (g/t)	Au (g/t)
Interval	237.7	240.8	3.0	125.47	127.35	0.072
Including	237.7	239.3	1.5	184.94	190	0.081
Interval	269.7	274.3	4.6	71.31	53.00	0.306
including	272.8	274.3	1.5	165.02	123	0.712

Intervals are reported as drilled lengths. True widths are approximately 70-95% of reported interval
Ageq values are calculated as follows: Ageq = (Ag x 0.94) + (Au x 0.86 x 80) + (Zn x 0.037 x 0.935) + (Pb x 0.03 x 0.92)
Recoveries have been estimated using an average of similar polymetallic deposits in Mexico as well as preliminary metallurgical work from 2014
Intervals are calculated based on a 25g/t Ageq cut-off (including recoveries) with no more than 3m of internal waste

Qualified Person & QA/QC:

The scientific and technical data contained in this news release pertaining to the Cruz de Plata Project was reviewed and approved by Marc Idziszek, P.Geo, a non-independent qualified person to Capitan Silver, 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 Silver Corp. 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 Cruz de Plata 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 the city of Durango, Durango. 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 and over 100 ppm Ag are assayed with gravimetric finish (Assay code FA530). All samples are also assayed by ICP-ES (code AQ300) for a suite of 33 elements. Samples over 1% Pb an d/ or 1% Zn are assayed by Aqua regia Ore Grade ICP-ES (AQ 370).

Diamond drill-hole samples, drilled by Fresnillo, reported in this press release were assayed at SGS Labs for gold by fire assay with atomic absorption finish (GE_FAA515 assay method code; 0.005 to 10 ppm detection limit). Samples over 10 ppm Au and over 100 ppm Ag are assayed with gravimetric finish (Assay code GEO_FAG515). All samples are also assayed by ICP-ES (code GE_ICP40B) for a suite of 33 elements. Samples over 1%Pb and Zn are assayed by Aqua regia Ore Grade ICP-ES (GO_ICP90Q).

All summarized intervals reported in this press release were calculated using a 25 ppm Ag equivalent (AgEq) cut-off grade with AgEq considering Ag, Au, Pb and Zn and calculated as follows: AgEq = Ag g/t + (80x Au g/t) + (0.003 x Pb g/t) + (0.0037 x Zn g/t). Intervals contain no more than 3 metres of internal dilution. High grades have not been capped.

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 heap leach operations in Mexico over the past 16 years.

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

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