Capella Minerals Ltd. Drill Targeting Advancing at the Kjøli High-Grade Copper Project

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CARDS AI Technology to Assist with Target Prioritization

VANCOUVER, Jan. 14, 2021 - Capella Minerals Ltd. (TSXV: CMIL) (FRA: N7D2) (the "Company" or "Capella") is pleased to provide the following update on drill target generation activities being undertaken on its high-grade Kjøli copper project in central Norway. The Kjøli property lies in the northern part of the Røros mining district, which saw copper production from a number of high-grade massive sulfide ("VMS") deposits from the mid-1600's until the mid-1980's. Kjøli represents a district-scale brownfields/greenfields exploration project covering the former Kjøli and Killingdal copper mining operations, together with approximately 15 km strike of underexplored but highly-prospective stratigraphy for the discovery of new copper-rich VMS deposits (Figure 1).

Highlights

- Drill target generation activities at Kjøli have focused on an initial 4.5 km-long segment of the interpreted 15km strike of prospective stratigraphy for copper-rich VMS deposits. The area contains 4 known (and previously undrilled) occurrences of high-grade copper mineralization: Svenskmenna, Rorosmenna, Guldalsgruve, and Godthap (Figures 2-4).
- A detailed ground magnetic survey was completed within the 4.5km long initial target area, with a prominent NE-trending pyrrhotite-bearing horizon (typically associated with copper-zinc-silver-gold mineralization) being well defined by the survey (Figure 2).
- Exceptional soil copper anomalies have also been generated from Ionic Leach geochemical survey lines in and around the Guldalsgruve and Rorosmenna sectors (Figure 3).
- The original 120 square kilometre Kjøli claim block as acquired from EMX Royalty Corp. (NYSE:EMX; TSXV:EMX) was expanded by 25% (30 square kilometres) through the staking of new exploration claims over previously unexplored surface occurrences of VMS mineralization (Figure 2). These represent new targets for Capella to evaluate during the 2021 summer field season.
- Separately, Windfall Geotek has been contracted to perform a CARDS Artificial Intelligence ("AI") and Data Mining evaluation for the entire Kjøli claim block using all available geological and geophysical data sets. The CARDS analysis will allow Capella to accelerate the definition of high-probability VMS targets at Kjøli during the winter season.
- Permitting for initial diamond drilling at Kjøli is expected to begin in Q2, 2021, and will incorporate targets defined from the CARDS AI evaluation and Capella's in-house targeting.

Link to figures: https://capellaminerals.com/site/assets/files/5597/2021_01_kjoli_figures.pdf

Eric Roth, Capella's President and CEO, commented today: "I am very pleased to be providing this update on our exploration activities at Kjøli, which serve to confirm the exceptional potential of the project for the discovery of new high-grade copper deposits. Our own field-based target generation activities are now being complemented with the CARDS AI evaluation, and these will form the basis for the permitting of a maiden diamond drill program on the project. In parallel, we will continue our generative activities on new drill targets throughout the remainder of this high-potential, district-scale property holding.

Kjøli represents an extraordinary opportunity for Capella to make a high-grade copper discovery in the short term, and I look forward to keeping the market updated as we move towards drilling."

Kjøli Project – Drill Targeting

Field activities at Kjøli have been focused on the generation of drill targets within an initial 4.5 km-long segment of the interpreted 15km strike of prospective stratigraphy for copper-rich VMS deposits. The selected area contains 4 known (and previously undrilled) occurrences of high-grade copper mineralization: Svenskmenna, Rorosmenna, Guldalsgruve, and Godthap. The targeting has been based on a detailed

ground magnetic survey (primarily used to follow a pyrrhotite-bearing horizon which is intimately associated with copper mineralization) and trial Ionic Leach soil geochemical surveys in the Guldalsgruve and Rorosmenna sectors.

Ground Magnetic Survey

A high-resolution 195-line kilometre ground magnetic survey was completed over the initial 4.5km target area. Whilst detailed interpretations are still in progress, three key initial observations include: i) the definition of a NE-trending "main mineralized corridor" (interpreted to indicate pyrrhotite which is intimately associated with copper-zinc-silver-gold mineralization) across the entire 4.5km strike length of the survey area, ii) additional potential satellite bodies of massive sulfide mineralization W of Rorosmenna and around Godthap, and iii) the potential for buried massive sulfide systems beneath a thrust fault located at the northern end of the survey area.

Soil Ionic Leach Geochemistry

The Kjøli project consists of flat to undulating terrain and is typically covered by thin soil and local bog cover. A total of 382 soil samples were collected for a trial Ionic Leach analytical survey in the Guldalsgruve and Rorosmenna sectors (Figure 3), with strong copper anomalies (>1,000 parts per billion Cu or "ppb") being returned by 133 soil samples taken from around, and along strike from, known workings. A total of 55 samples returned >10,000 ppb Cu in soils and these represent priority areas for follow-up work and drill testing.

The Ionic Leach analyses for the Kjøli soil samples were performed by ALS Laboratories ("ALS") in Loughrea, Ireland, utilizing a partial leach extraction with ICP-MS finish. ALS utilizes industry standard Quality Assurance/Quality Control methods in order to ensure sample result quality.

New Claim Staking

A further 30 square kilometres of new exploration claims were staked during Q4 2020 to cover a group of previously-unexplored surface occurrences of copper-rich VMS mineralization located immediately to the WNW of the main prospective horizon at Kjøli (see Figure 2). These represent additional targets for Capella to evaluate during the 2021 summer field season.

Windfall Geotek CARDS AI Analysis Overview

In addition to Capella's in-house field activities, Windfall Geotek has been contracted to perform a CARDS Artificial Intelligence ("AI") and Data Mining evaluation for the entire Kjøli claim block using all available geological and geophysical data sets. The CARDS analysis will allow Capella to accelerate the definition of high-probability VMS targets at Kjøli during the winter season. The identification of high-probability target areas using the CARDS AI Data Mining system is based upon the following procedures:

- Algorithms analyze each layer of information for every rock/soil sample and data site to create a unique signature for the mineralization that is being sought (e.g., copper at Kjøli).
- The MCubiX Data Mining engine (with numerous supporting algorithms) analysis recognizes patterns of information. The system uses these algorithms to find the new patterns that are often not recognized by the naked eye.
- CARDS analysis identifies locations of the new mineralization signature in the exploration area. Predictions are given a cell rating by percentage.
- Millions of spatial data points and their relationships are analyzed.
- The CARDS System becomes trained and "cross validates" each model that CARDS generates. The cell rating percentage "weeds out" unwanted (low percentage cells) targets, leaving only the highest probability areas for the discovery of mineralization.

Qualified Persons and Disclosure Statement

The technical information in this news release relating to the Kjøli project has been prepared in accordance

with Canadian regulatory requirements set out in NI 43-101, and approved by Eric Roth, the Company's President & CEO, a director and a Qualified Person under NI 43-101. Mr. Roth holds a Ph.D. in Economic Geology from the University of Western Australia, is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), and is a Fellow of the Society of Economic Geologists (SEG). Mr. Roth has 30 years of experience in international minerals exploration and mining project evaluation.

The scientific and technical data relating to the CARDS AI Data Mining system has been prepared and reviewed under the supervision of Grigor Heba, Ph.D., P.Geo., Principal Geologist of Windfall Geotek and a Qualified Person as defined by National Instrument 43-101.

On Behalf of the Board of Capella Minerals Ltd.

"Eric Roth"
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Eric Roth, Ph.D., FAusIMM
President & CEO

About Capella Minerals Ltd

Capella is engaged in the acquisition, exploration, and development of quality mineral resource properties in favourable jurisdictions with a focus on high-grade gold and copper deposits. The Company's precious metals focus is on the discovery of high-grade gold deposits on its recently acquired Southern Gold Line Project in Sweden, in addition to its active Canadian Joint Ventures with Ethos Gold Corp. at Savant Lake (Ontario) and Yamana Gold Inc. at Domain (Manitoba). The Company also retains a residual interest (subject to an option to purchase agreement with Austral Gold Ltd) in the Sierra Blanca gold-silver epithermal project in Santa Cruz, Argentina.

The Company's copper focus is on the discovery of high-grade massive sulfide (VMS) deposits within district-scale land positions around the past-producing Løkken and Kjøli copper mines in central Norway. Field activities are ongoing on all projects, with the primary focus being to advance priority targets through the permitting process and onwards to drilling and discovery.

About Windfall Geotek

Windfall Geotek is an Artificial Intelligence ("AI") company that has been in business for over 15 years developing its proprietary CARDS AI analysis and Data Mining techniques. Windfall Geotek can count on a multidisciplinary team that includes professionals in geophysics, geology, Artificial Intelligence, and mathematics. It combines available public and private datasets including geophysical, drill hole and surface data. The algorithms designed and employed by Windfall are calculated to highlight areas of interest that have the potential to be geologically similar to other deposits and mineralization. The Company's objective is to develop a new royalty stream by significantly enhancing and participating in the exploration success rate of mining and to continue the Land Mine detection application as a high priority. Windfall has played a part in numerous past discoveries utilizing its methodology as described at: https://windfallgeotek.com/.

Cautionary Notes and Forward-looking Statements

This news release contains forward-looking information within the meaning of applicable securities legislation. Forward-looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. Such statements include, without limitation, statements regarding the future results of operations, performance and achievements of Capella, including the timing, completion of and results from the exploration and drill programs described in this release. Although the Company believes that such statements are reasonable, it can give no assurances that such expectations will prove to be correct. All such forward-looking information is based on certain assumptions and analyses made by Capella in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. This information, however, is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Important factors that could cause

actual results to differ from this forward-looking information include those described under the heading "Risks and Uncertainties" in Capella's most recently filed MD&A. Capella does not intend, and expressly disclaims any obligation to, update or revise the forward-looking information contained in this news release, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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