CARDS AI Analysis Identifies 13 Priority High-Grade Copper Targets at Kjøli

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VANCOUVER, May 5, 2021 - Capella Minerals Ltd. (TSXV: CMIL) (FRA: N7D2) (the "Company" or "Capella") is pleased to report the results of the CARDS Artificial Intelligence ("AI") and Data Mining analysis undertaken by Windfall Geotek (TSXV:WIN; OTCQB:WINKF; FRA:L7C2)("Windfall") on the Company's 100% owned Kjøli high-grade massive sulfide ("VMS") project in central Norway. Kjøli is a 150 square kilometre brownfields/greenfields exploration project located within the northern extension of the past-producing Røros copper mining district.

Highlights

- The CARDS AI study has resulted in the definition of a total of 24 high-probability base and precious metal targets at Kjøli (Figures 1 and 2):
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    - 13 copper-zinc targets with signatures of high-grade copper-rich VMS deposits.
    - 11 gold-silver targets, the bulk of which either fully or partially overlap the 13 defined copper-zinc targets.
- Significant potential has been identified for the discovery of copper-rich VMS deposits immediately adjacent to, and to the north-east of, the former Kjøli copper mine.
- The CARDS AI analysis has confirmed Capella's strategy of focusing exploration efforts on the main prospective horizon which hosts the former Kjøli and Killingdal copper mines.

Eric Roth, Capella's President and CEO, commented today: "I am very pleased to be reporting today the results of the CARDS AI analysis for our Kjøli high-grade copper project, with the clear definition of 13 priority copper-zinc targets along the main prospective horizon. The results of this work mean that our exploration activities can now be focused on the approximately 10 square kilometers of target areas with the highest potential for discovery. I look forward to keeping the market informed as we complete our target generation activities and move our priority targets forward to drill testing."

CARDS AI Methodology

The CARDS AI analysis utilized algorithms to create a new signature based on known high-grade copper-rich VMS occurrences at Kjøli (using all available geological, geochemical, and high-resolution geophysical and topographic data) and scoring this "mineralization footprint" to find other similar sectors within the project area. The so-called training (or calibration) points derived from the known VMS occurrences led to the identification of a total of 13 distinct target areas within the existing Kjøli property with a high-similarity for the discovery of copper-zinc mineralization, together with a further 11 target areas with gold-silver potential. The minimum thresholds used to define new target areas at Kjøli were expected minimum grades of 1% Cu and 0.5% Zn for copper-zinc targets, and 0.2 g/t Au and 5 g/t Ag for gold-silver targets.

The CARDS AI technical report will be made available shortly on the Kjøli project page of Capella's website (www.capellaminerals.com).

Near-Term Exploration Program

Capella's immediate exploration program at Kjøli will focus on the evaluation of the 13 target areas which have been defined through the CARDS AI analysis, in particularly the series of large (up to 1km in length each) anomalies defined immediately adjacent to, and along strike to the NE of, the former Kjøli copper mine. Drill testing of the highest priority targets will be initiated as soon as the target generation activities have been completed and drill permits granted.

About the Kjøli Copper Project

The Company's Kjøli copper-rich VMS project lies in the northern part of the Røros mining district, which saw copper production from a number of high-grade VMS deposits from the mid-1600's through until the mid-1980's. Kjøli represents a district-scale brownfields/greenfields exploration project covering the former Kjøli and Killingdal mining operations, together with approximately 15 km strike of underexplored but highly prospective stratigraphy for the discovery of new copper-rich VMS deposits. Access to the property is excellent, with the main Trondheim-Røros highway and railway line passing by the SW corner of the property. Hydroelectric power is also readily available within the broader Kjøli district.

The Company acquired its 100% interest in the Kjøli Project from EMX Royalty Corp (NYSE:EMX; TSXV:EMX) in late-2020.

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.

On Behalf of the Board of Capella Minerals Ltd.

"Eric Roth"

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 copper focus is on the discovery of high-grade massive sulfide (VMS-type) deposits within district-scale land positions around the past-producing Løkken and Kjøli copper mines in central Norway. 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 project in Santa Cruz, Argentina.

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.

The Company also holds marketable securities in Cerrado Gold Inc. (TSXV:CERT; 833,334 shares) and Ethos Gold Corp. (TSXV:ECC; 2,000,000 shares), providing Capella shareholders with indirect exposure to both exploration and operational success by these Companies.

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.

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