

Capella Provides Exploration Update for its Norwegian Copper-Cobalt Projects

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VANCOUVER, May 18, 2022 - [Capella Minerals Ltd.](#) (TSXV: CMIL) (OTCQB: CMILF) (FRA: N7D2) (the "Company" or "Capella") is pleased to provide the following update on ongoing exploration and development activities at the Company's 100%-owned Hessjøgruva, Kjøliløkken, and Løkken copper-zinc-cobalt ("Cu-Zn-Co") projects in central Norway. The Company's immediate priority will be to bring its recently acquired Hessjøgruva project in to a Canadian National Instrument 43-101 ("NI 43-101") compliant mineral resource, in addition to driving the discovery of new mineral resources in the Hessjøgruva - Kjøliløkken district (Figure 1).

At the Løkken project, a final field-based drill targeting program will be undertaken during June & July 2022 on the 5 areas identified as highest priority for new discovery. In parallel, permitting will be initiated for a maiden core drilling program to be initiated during H2, 2022.

Highlights

- Capella's recently acquired Hessjøgruva Cu-Zn-Co project (see Company News Release dated April 6, 2022) contains a current mineral inventory (non NI 43-101 compliant mineral resource) of 3MT @ 1.7% Cu + 1.4% Zn^{1,2} (or 2.2% Cu³ equivalent). The Company's immediate priorities are to undertake the work required to declare an NI 43-101 compliant mineral resource estimate, followed by further infill / step-out drilling and the initiation of developed-related studies required for an initial scoping-level mining study or Preliminary Economic Assessment ("PEA").
- Capella has been granted new exploration claims in the Kongensgruve area, which lies immediately to the E of the Hessjøgruva asset (Figure 1). The Kongensgruve area contains potential for the discovery of new Cu-Zn-Co resources and was also the site of a historical mineral processing facility and tailings dam. Given Kongensgruve's proximity to both the Hessjøgruva and Kjøliløkken projects, the area represents an ideal site for any potential future mineral processing facilities within a "hub and spoke" development configuration.
- At the Kjøliløkken project, which is located 20km NE of Hessjøgruva, drill targeting has been completed and permits are in place for up to 4,000m / 25 holes of core drilling. Four target areas - Kjøliløkken Deeps, the former Kjøliløkken mine, Guldalsgruva, and Grønnskard - have been prioritized for drill testing. An expected April initiation of the Company's maiden core drilling program at Kjøliløkken has been temporarily postponed in order to accommodate a springtime migration of reindeer through the Kjøliløkken area. The Company will keep the market informed with respect to a revised start date for the Kjøliløkken drilling.
- At the Løkken Cu-Zn-Co project, final drillhole targeting on 5 priority target areas will be undertaken in June-July 2022 via a comprehensive soil (Ionic Leach) sampling program and reprocessing of geophysical (electromagnetic) data sets. Permitting for drilling will be undertaken in parallel, with the Company's maiden core drilling program currently expected to be undertaken during H2, 2022.
- All Norwegian Covid 19-related restrictions, which affected the Company's progress on the Kjøliløkken and Løkken projects during 2021 and early-2022, have now been lifted and will allow the Company to expedite delivery on project milestones during H2, 2022.

Eric Roth, Capella's President and CEO, commented: "With the recent addition of the resource-stage Hessjøgruva project to Capella's portfolio, the Company is well placed for solid growth during H2, 2022 on its Norwegian portfolio of copper-zinc-cobalt assets. In addition to Hessjøgruva, the planned drill programs at both Kjøliløkken and Løkken will increase the Company's exposure to new discoveries of the key metals required in both the transmission and storage of renewable energies. The advancement of the Hessjøgruva asset will also bring significant tangible benefits to both Hessjøgruva AS and local communities / government, all of which have been strongly supportive of our exploration activities at the nearby Kjøliløkken project.

The elimination of all Covid 19-related restrictions in Norway has also meant that our field teams can now operate more freely than they did in either 2021 or early-2022.

In addition to our Norwegian activities, the Company expects JV partner Prospector Metals to commence a self-funded drill program at our Savant Lake project in Ontario during Q3, 2022. I look forward to keeping all

stakeholders updated as the Company moves forward in 2022."

Hessjøgruva & Kjøli Copper-Zinc-Cobalt Projects (Northern Røros District)

Capella announced the acquisition of a 100% interest in the resource-stage Hessjøgruva Cu-Zn-Co massive sulfide ("VMS") project on April 6, 2022. The Hessjøgruva project is located approximately 20km SW of the Company's 100% owned and drill-ready Kjøli Cu-Zn-Co project and has a current mineral inventory (non-Canadian National Instrument NI 43-101 compliant mineral resource) of 3MT @ 1.7% Cu + 1.4% Zn^{1,2} (or 2.2% Cu³ equivalent) based on a total of 12,139m / 68 holes of historic core drilling. The Company's immediate priorities at Hessjøgruva are to undertake the work required to declare an NI 43-101 compliant mineral resource estimate, followed by further infill / step-out drilling and the initiation of developed-related studies required for an initial Preliminary Economic Assessment ("PEA").

Figure 1. Locations of the Hessjøgruva and Kjøli Cu-Zn-Co projects, together with the Company's recently granted exploration claims in the Kongensgruve area.

Capella has also been granted new exploration claims in the Kongensgruve area, which lies immediately to the E of the Hessjøgruva asset (Figure 1). The Kongensgruve area contains potential for the discovery of new Cu-Zn-Co resources and was the site of a historical mineral processing facility and tailings dam. Given Kongensgruve's proximity to both the Hessjøgruva and Kjøli projects, the area represents an ideal site for any potential future mineral processing facilities within a "hub and spoke" development configuration.

At the nearby Kjøli project, drill targeting has been completed and permits are in place for up to 4,000m / 25 holes of core drilling. Four target areas - Kjøli Deeps, the former Kjøli mine, Guldalsgruva, and Grønskard - have been prioritized for drill testing. An expected April initiation of the Company's maiden core drilling program at Kjøli has been temporarily postponed in order to accommodate a springtime migration of reindeer through the Kjøli area. The Company will keep the market informed with respect to a revised start date for drilling at Kjøli.

¹ Geological Survey of Norway Report 2007.023; The Hersjø ore deposit, evaluation of ore potential.

² Reader is also referred to "Disclosure Relating to Historical Estimate" section in Company News Release dated April 6, 2022.

³ Copper equivalent grades have been calculated using approximate 2022 Year-to-Date average copper and zinc prices of USD 9,900/T and USD 3,700/T, respectively, with no adjustment having been made for metallurgical recovery as these are unknown at this time (metal price data: London Metal Exchange, www.lme.com).

Løkken Copper-Zinc-Cobalt Project (Løkken Verk District)

At the Løkken Cu-Zn-Co project, work plans have been submitted to local authorities for final drillhole targeting on 5 priority areas - Amot, Hoydal, Grefstøfjellet, Dragset, and Western Area (Figure 2) - during June & July 2022. These five target areas were prioritized on the basis of results derived from the 2021 Summer field season (in which 24 satellite bodies to the main Løkken mine were field evaluated) together with the incorporation of historical geophysical and geological data. The final drill targeting work program is expected to commence in early-June, and will consist of i) a comprehensive soil sampling program (Ionic Leach geochemistry) over the main target areas, and ii) inversion of electromagnetic data to determine depths to conductive bodies (which are interpreted to be massive sulfide deposits of economic interest).

Figure 2. Priority targets defined for final drill targeting at the Løkken Project.

Permitting for the drill testing of priority targets will also be undertaken in parallel, with specific drill collar locations to be finalized as soon as the geochemical results have been received and reviewed. The Company currently expects a maiden core drilling program at Løkken to be initiated during H2, 2022.

Disclosure Relating to Historical Estimate for Hessjøgruva

In accordance with Section 2.4 of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), an issuer may disclose an historical estimate, using the original terminology, if the disclosure

identifies the following:

Source and date of the historical estimate, including any existing technical reports

- Information relating to this historical estimate is summarized from a 2007 technical report prepared for the Geological Survey of Norway ("NGU") by Terje Bjerkgård ("Report 2007.023: The Hersjø ore deposit, evaluation of ore potential").

Relevance and reliability of the historical estimate:

- The historical estimate for Hessjøgruva was derived from drilling undertaken by three mining companies - Røros Kobberværk AS, AS Sydvaranger, and Killingdal Grubelskap AS - up until 1977. Whilst Capella does not consider the historical estimate to have been completed in accordance with current NI 43-101 standards, it is considered relevant to reporting on the project.

Key assumptions, parameters and methods used to prepare the historical estimate:

- Original (pre-1977) technical reports relating to the calculation of the historical estimate and outlining the assumptions / parameters used have not been sighted by Capella.

Resource category used:

- As the historical estimate is not believed to have been completed in accordance with current NI 43-101 standards, Capella utilizes the terminology "mineral inventory" rather than either mineral resources or mineral reserves to classify the known mineralization.

More recent estimates or data available to the issuer:

- No more recent estimates are currently available to the issuer. A study completed during 2016 (Geometric and Qualimetric Modeling of the Hessjø deposit; Nørsett, S.J.; NTNU M.Sc. Thesis) confirmed most aspects of the geometry of the Cu-Zn-Co mineralization and distribution of Cu-Zn-Co grades as utilized in the historical estimate.

Work needed to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves:

- An independent Qualified Person ("QP") has not yet done sufficient work to review the historical data and historical estimate to determine what further work would be required to prepare a technical report in accordance with NI 43-101. Capella is in the process of engaging a QP with suitable experience in the deposit style being evaluated in order to prepare a technical report in accordance with NI 43-101.

Capella is not treating the historical estimate as current mineral resources or reserves. At this time, a Qualified Person has not done sufficient work on behalf of Capella to classify this historical estimate as current mineral resources or reserves. Investors should not rely on the historical estimate as a current mineral resource estimate until it has been verified and supported in a technical report in accordance with NI 43-101.

Qualified Persons and Disclosure Statement

The technical information in this news release relating to the Hessjøgruva, Kjøli and Løkken projects 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(-zinc-cobalt) deposits. The Company's copper(-zinc-cobalt) focus is currently on i) the advancement of the recently-acquired, resource-stage Hessjøgruva copper-zinc-cobalt project in central Norway and ii) the discovery of high-grade VMS-type deposits within 100%-owned, district-scale land positions around the past-producing Løkken and Kjøli copper mines.

The Company's precious metals focus is on the discovery of high-grade gold deposits on the Katajavaara-Aakenus JV in Finland, its 100%-owned Southern Gold Line Project in Sweden, and its active Canadian Joint Ventures with [Prospector Metals Corp.](#) (TSXV: PPP) 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 divestiture in Santa Cruz, Argentina.

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 own 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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