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ASX ANNOUNCEMENT

6 December 2023

Capella Provides Update for Maiden Drill Program at Killero East Copper-Gold Target, Northern Finland.

Cullen Resources Limited (“Cullen”) is pleased to advise that Joint Venture manager Capella Minerals Limited (TSXV:CMIL) (“Capella”) has overnight provided an exploration update to the Canadian market regarding copper-gold targets in Northern Finland. A copy of the Capella announcement made on the TSXV is attached for shareholders information.

The JV’s granted exploration permits are held by local subsidiary Cullen Finland Oy, which is owned 70:30 by Capella and Cullen, with all Cullen Finland Oy exploration activities currently funded by Capella. Cullen Finland Oy is also owner of the “Perho” Reservation for lithium in central Finland.

This announcement has been authorised by the Board.

FURTHER INFORMATION

Please contact Dr. Chris Ringrose, Managing Director on + 61 8 9474 5511

ATTRIBUTION: Competent Person Statement

The information in this report that relates to Exploration Results includes information reviewed by Dr. Chris Ringrose, Managing Director, Cullen Resources Limited who is a Member of the Australasian Institute of Mining and Metallurgy. Dr. Ringrose is a full time employee of Cullen Resources Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr. Ringrose consents to the report being issued in the form and context in which it appears.

Capella Granted Killero West Exploration Permit and Provides Update for Maiden Drill Program at Killero East Copper-Gold Target, Northern Finland

December 05, 2023 – Vancouver, BC – **Capella Minerals Ltd** (TSXV: **CMIL**; OTCQB: **CMILF**; FRA: **N7D2**) (“Capella” or the “Company”) is pleased to announce that it has been granted an additional exploration permit covering the Killero West copper-gold target within the Company’s highly-prospective Central Lapland Greenstone Belt portfolio, Northern Finland. The Killero West permit complements the five exploration permits which were previously granted in May, 2023, including the Killero East permit where exceptional historical Base of Till (“BoT”) copper-gold anomalies were generated by Anglo American plc (Figure 1; Company News Release dated May 30, 2023).

Capella currently expects scout core drilling of the priority Killero East target to commence in late Q1, 2024; this drill program would represent the first ever drill testing of the historical BoT copper-gold anomalies. Capella is also currently evaluating an initial diamond drill program on the Saattopora West target - the northwestern extension to Outokumpu Oy’s former Saattopora gold-copper mining operation - during the northern 2024 summer.

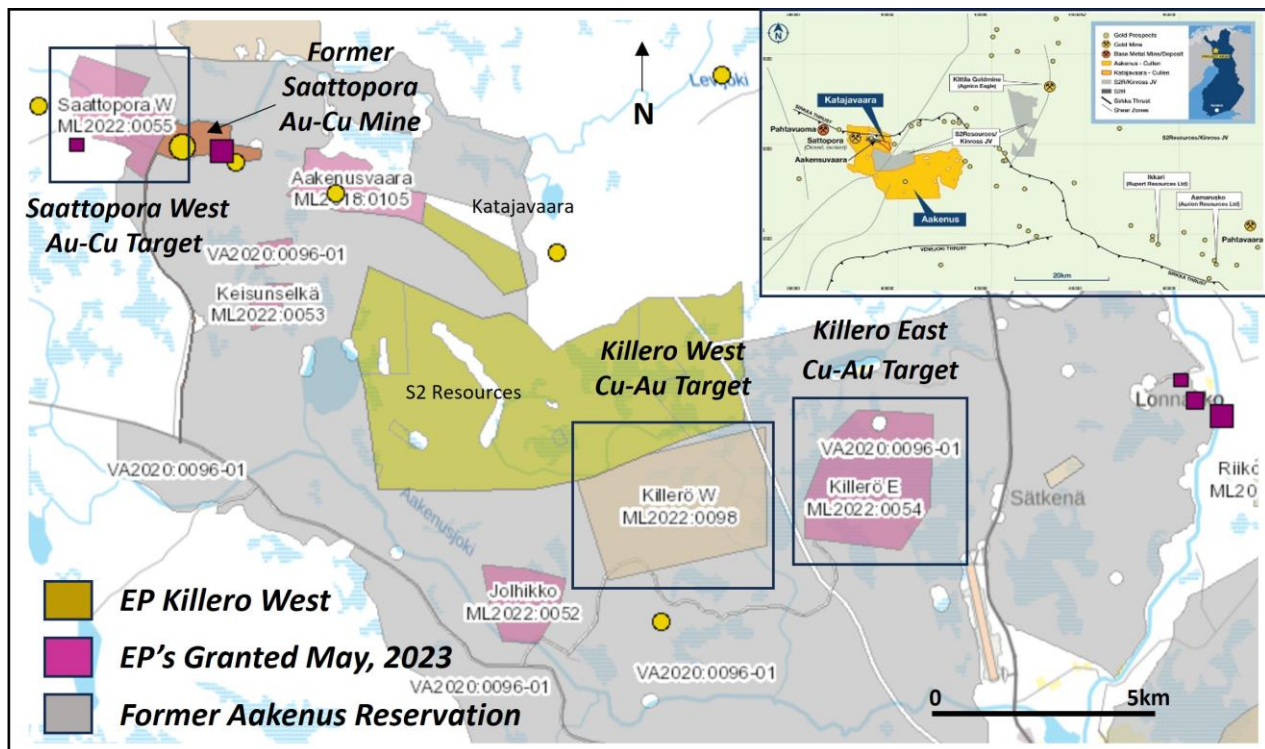


Figure 1. Location of the newly-granted Killero West permit plus the five exploration permits granted in May, 2023 (Saattopora W, Keisunselka, Jolhikko, Katajavaara, and Killero East) in the Northern Finland Gold-Copper Project.

¹ References made to nearby mines and analogous deposits provide context for the Northern Finland Gold-Copper project but are not necessarily indicative that these projects host similar tonnages or grades of mineralization.

Capella currently holds a 70% interest in the Northern Finland Copper-Gold project through a Joint Venture (“JV”) agreement signed with ASX-listed Cullen Resources Ltd (ASX: CUL)(“Cullen”)(see Company News Release dated August 24, 2021).

Eric Roth, Capella’s President and CEO commented: “I am very pleased to be reporting today the granting of our Killero West exploration permit, which lies adjacent to our priority Killero East target and which covers a second area of significant BoT copper-gold anomalies generated by Anglo American’s regional exploration programs over a decade ago. Indeed, given that BoT values over 110 parts per million (“ppm”) copper are considered to be anomalous in this part of the Central Lapland Greenstone Belt, the Killero East values up to 5,962 ppm copper are truly exceptional. Given that drilling is optimally undertaken here under cold winter conditions, we currently expect first drilling of the Killero East anomaly to occur in March, 2024. I look forward to keeping all stakeholders updated as our exploration programs advance”.

Killero East and West Target Areas

The Company’s priority Killero East target area has been defined through a combination of: i) BoT copper-gold anomalies derived from previous Anglo American plc exploration programs², and ii) interpretation of data from the Company’s own high-resolution drone magnetic survey completed in April, 2022. The historical BoT data confirm an extensive copper-gold anomaly associated with a major NE-trending fault/shear zone, with this deformation zone also displacing interpreted E-W trending mafic to ultramafic volcanic and/or intrusive rocks (Figure 2). Initial drilling at Killero East will be designed to vector in to potential sources of the copper-gold anomalism.

Similarly, the Killero West target areas contains significant intervals of anomalous (>110ppm Cu) BoT values which appear to be broadly associated with mafic/tholeiitic volcanic rocks and which have also been cross-cut by later-stage NE-trending faults / shear zones (albeit with smaller offsets than observed in Killero East).

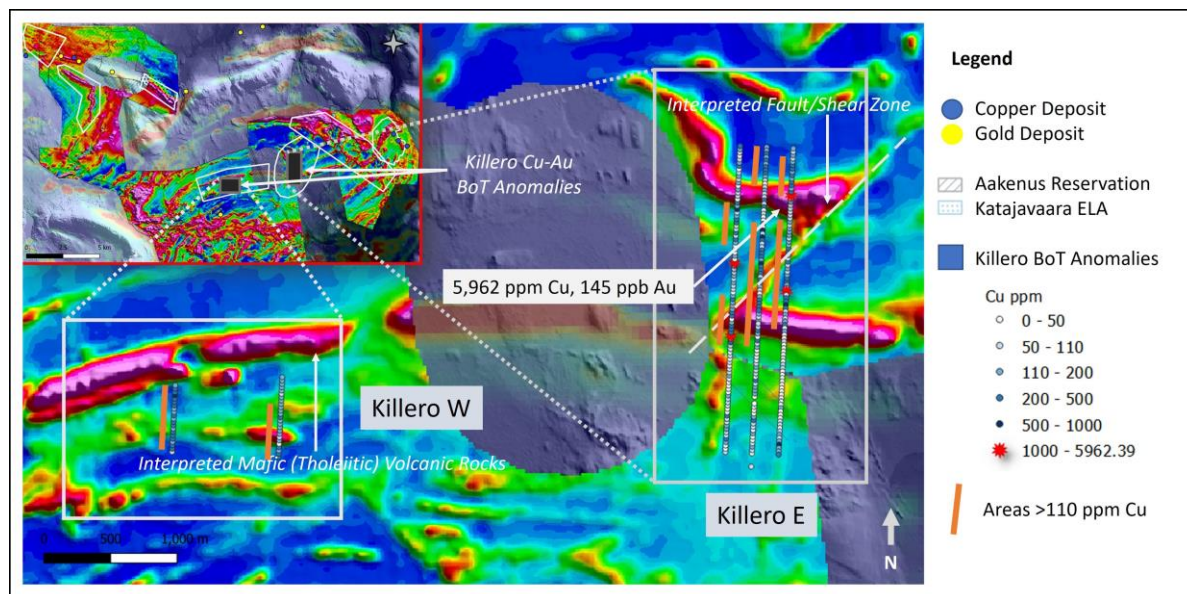


Figure 2. Killero E target areas as defined by combined geochemical (BoT) and geophysical (drone magnetic survey data) anomalies.

² Historic geochemical results quoted for Killero are derived from GTK (Geological Survey of Finland) datasets. Whilst Capella has not performed sufficient work to verify the published data reported, the Company believes this information to be considered reliable and relevant.

Aside from the Killero East / West and the Saattopora NW extension permits the remaining three exploration permits cover the following targets:

- Keisunselka – interpreted Au mineralization in cross-cutting structures in deformed mafic volcanic units. Concept is expected to be tested through BoT drilling in late Q1, 2024.
- Jolhikko – zone of intense structural complexity with potential for orogenic-style gold mineralization. Target is also expected to be tested through BoT drilling in late Q1, 2024.
- Katajavaara – potential SE extension of mineralization outlined in Outokumpu’s former Saattopora Au-Cu mine.

All of the Company’s target areas lie adjacent to the Sirkka thrust zone, a well-mineralized structural corridor in the Central Lapland Greenstone Belt which hosts a number of recent exploration discoveries (such as Rupert Resources’ Ikkari gold project¹). The granted exploration permits allow the Company to undertake more detailed field evaluations - including ground geophysical surveys and diamond drilling - within the individual target areas. Engagement with local communities / stakeholders on upcoming work programs will be a priority going forward.

Qualified Persons and Disclosure Statement

The technical information in this news release relating to the Northern Finland Gold-Copper 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 35 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 European base and battery metals projects.

On October 17, 2023, the Company entered in to a binding asset sale agreement with NickelX, a private Norwegian mining company, through which it will divest its 100% interests in the Hessjøgruva, Kjølvi, and Lokken projects copper-zinc-cobalt projects in Trøndelag, central Norway. NickelX currently holds 100% interests in four nickel exploration projects in northern Norway (namely Hamn, Palfjellet, Birgivi, and Envold) and is in the process of undertaking an Initial Public Offering (“IPO”) on Oslo’s Euronext Growth Exchange with the objective of becoming Norway’s leading independent battery metals company. The total consideration of the transaction to Capella, payable upon completion of the NickelX IPO, is CAD 7 million and includes i) CAD 5 million

in cash and ii) CAD 2 million in NickelX shares, which Capella intends to distribute to its shareholders on a pro-rata basis.

The Company continues to explore the Northern Finland Gold-Copper project in the Central Lapland Greenstone Belt, together with JV partner Cullen Resources Ltd (ASX: CUL). A total of six exploration permits have now been approved, including the priority Killero East Cu-Au target. In central Finland, the Company's focus is on the discovery of lithium and rare-earth element deposits at both its Perho reservation, in addition to an extensive package of properties in the broader Keliber district through a JV with European Energy Metals Corp (formerly Hilo Mining)(TSXV: FIN).

Capella also retains exposure to exploration success in precious metals projects through its active Canadian Joint Ventures with Prospector Metals Corp. (TSXV: PPP) at Savant (Ontario) and Agnico Eagle Mines Ltd (formerly Yamana Gold Inc.)(TSX/NYSE: AEM) at Domain (Manitoba). The Company also holds a 49% interest in the Sierra Blanca low sulfidation gold-silver project in Santa Cruz, Argentina, which is currently being explored by Austral Gold Ltd (TSXV: AGLD; ASX: AGD).

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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.