Zacapa Resources Ltd. Secures Final Drill Permits For The South Bullfrog Gold Project In Beatty, Nevada

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VANCOUVER, Feb. 22, 2023 - Zacapa Resources Ltd. (TSXV: ZACA) (OTCQB: ZACAF) (DE: BH0) has completed all permitting requirements related to the inaugural South Bullfrog drill program in Beatty, Nevada. Drilling is anticipated to commence next month, with 3,000 metres planned to test top ranked epithermal gold exploration targets at the Shingleback and Longtail prospects.

HIGHLIGHTS

- Notice of Intent filed and accepted by U.S. Bureau of Land Management for the Shingleback and Longtail drill prospects
- 3,000 metre drill program to commence as soon as feasible; drill contractor selected and commercial negotiation complete
- New website for Zacapa Resources launched (www.zacaparesources.com)

Zacapa has received approval from the U.S. Bureau of Land Management for its Notice of Intent for proposed drilling activities at the Longtail prospect, which together with previously reported Shingleback permit (January 17, 2023) completes the permitting activities for the inaugural 3,000 metre drill program at South Bullfrog. The approved drill program at South Bullfrog includes four drill pad locations at Shingleback and three drill pad locations at Longtail. The total number of drill holes and metres drilled from each pad will be based on results and can be increased pending success.

"Zacapa's technical team has advanced South Bullfrog from early greenfields exploration to high quality permitted drill targets in 14 months," comments Adam Melnik, CEO & Director. "We are very pleased to see our technical teams' hard work evolve into such robust targets. In our view, investors will re-rate the exploration and development potential of the Beatty District in the near term as AngloGold Ashanti updates its gold reserve/resource estimate and releases a PFS for Silicon, announces an inaugural resource for the Merlin deposit, and receives permits to begin construction at North Bullfrog." The Beatty District currently hosts over 8.6 million ounces of gold and is expected to have four new mines in production within the next three years, all from near surface, open pit, oxide gold deposits, with production costs in the first quartile of the cost curve - Tier 1 mines that will reassert Beatty as a major mining center in the Walker Lane trend for profitable gold production. [3, 4, 5, 6, 7, 8, 9, 10, 11, 12]

Epithermal Gold Deposits and the Beatty District

The Shingleback and Longtail prospects are located in the northern third of the South Bullfrog project, north of Beatty Nevada (Figure 1). These two prospects were discovered through diligent mapping and sampling programs, combined with remote sensing, geophysics, and geochemical surveys. Zacapa's claims in this area are bordered to the west, north, and east by AngloGold Ashanti, which is activity advancing its North Bullfrog and Silicon development projects, while also exploring its Merlin discovery (AngloGold Ashanti).

The upcoming South Bullfrog drill program will test below what is interpreted as the shallow expression of alteration in a low-sulfidation epithermal system (Figure 2). In these types of systems, hot metal-bearing water migrates up faults and fractures in a hot spring type setting, similar to modern day Yellowstone. As the metalliferous water ascends, the pressure decreases and it begins to boil, which causes metals such as gold and silver to drop out of solution forming gold-bearing quartz-carbonate veins. In some areas, rocks with high permeability will also allow the metalliferous water to migrate laterally away from the fault, forming larger disseminated deposits, often containing disseminated pyrite. The Beatty District displays both styles of mineralization, sometimes within the same deposit (e.g. Silicon). Often, when the hot spring system is fully preserved, as it is at Silicon, the upper "steam-heated" alteration zones contain little if any gold or precious metals[13,16]. Instead, they are dominated by extensive silicification with alunite and kaolinite alteration, containing elevated concentrations of mercury and lesser antimony and arsenic.

Longtail Drill Program

At Longtail a 40-metre-wide window through alluvial cover reveals strongly silicified, alunite-kaolinite altered, volcanic rocks with strongly elevated mercury along with traces of arsenic, antimony, and gold (Figure 3). This target sits adjacent to the inferred margin of the Oasis Valley Caldera, and the coincidence of the mercury anomaly with a large magnetic low suggest that there could potentially be a large zone of alteration, up to 1 km strike length, where the steam-heated alteration has destroyed magnetite in the rocks to create the observed magnetic low. Drilling at Longtail will test several interpreted structures as well as the extent of the alteration, with the goal of drilling into the controlling structure at depth where gold mineralization would be expected to occur.

Three pad locations have been permitted at Longtail to target interpreted sources of shallow alunite-kaolinite-opaline silica "steam-heated" alteration observed in outcrop at depth where gold deposition is likely to have occurred. Zacapa anticipates three to five drill holes 200-400 metres deep, with the option to increase pending success.

Shingleback Drill Program

At Shingleback, more extensive erosion has removed the upper steam-heated alteration zone and silicified blanket, revealing clay alteration and local silicification on several prospective fault zones (Figure 4). Two of these fault zones, the Basalt fault and Twin Shafts fault, trend into an IP-resistivity high discovered during Zacapa's geophysical survey (April 27, 2022), which is interpreted as the strongly silicified boiling zone at depth. At surface the north-south trending Twin Shafts fault displays a clay altered and iron-oxide stained fault zone with weakly anomalous trace metals. The northeast-southwest trending Basalt fault parallels a larger regional structural trend and displays locally intense silicification with elevated trace metals. Individually, each of these faults are prospective as former pathways for mineralizing fluids. However, at Shingleback, the projection of the two faults meet under younger alluvial cover very near the IP-resistivity high identified by Zacapa. East of the resistivity high is a zone of elevated chargeability, which could indicate a disseminated pyrite halo beyond the silicified zone. At the Silicon deposit, pyrite is associated with the illite alteration halo adjacent to the deeper portions of the mineralized zone (Bartos et al., 2022). Initial drilling will test this fault intersection in the vicinity of the IP-resistivity high with the expectation that this fault intersection was an area of concentrated fluid flow that is highly prospective for gold mineralization.

Four pad locations have been permitted at Shingleback to test the Twin Shafts fault, Basalt fault, and the IP-resistivity+chargeability highs near their intersection. Zacapa expects to drill 5-7 holes, 200-400 metres deep with the option to increase pending success.

About the South Bullfrog Gold Project

The South Bullfrog gold project is centrally located in the Beatty District in the heart of the Walker Lane Trend. The Beatty District has seen rapid increases in gold resources, currently over 8.6 million ounces of gold. Zacapa's project area is five kilometres south of AngloGold Ashanti's North Bullfrog development project, and 11 kilometres west of AngloGold Ashanti's Silicon, Merlin, and Mother Lode projects. AngloGold Ashanti completed its acquisition of Corvus Gold for US$370M[1] and recently continued to consolidate the Beatty District by acquiring the Crown & Sterling projects from Coeur Mining for up to US$200M[8]. AngloGold has stated that the combined assets will help the Beatty District become a large, long life, low-cost operation with the potential to develop Tier-1 "company making" mines (Figure 5)[2]. South Bullfrog is comprised of 488 unpatented mining claims covering approximately 9,900 acres with a clear path to value creation by executing rigorous exploration in the centre of an increasingly active district where major gold mining companies are actively acquiring property, making new gold deposit discoveries, and developing new mines.

About Zacapa Resources

Zacapa is a mineral exploration company engaged in responsible exploration for the new energy economy. Its projects are concentrated in world class jurisdictions in the southwest U.S., including Arizona, Nevada, and Idaho. The portfolio includes epithermal gold projects at South Bullfrog and Miller Mountain and porphyry copper projects at Red Top and Pearl. These assets are being advanced by a highly disciplined and seasoned professional team with successful track records of discovery, resource development and mine permitting.

References

[1] AngloGold Ashanti Signs Definitive Agreement to Acquire Corvus and Consolidate the Beatty District of Nevada, September 13, 2021

[2] Corvus Gold and AngloGold Ashanti Announce Completion of Acquisition of Corvus by AngloGold Ashanti, January 18, 2022

[3] Augusta Gold Announces Significant Resource Update at Bullfrog of 1.2 M Oz Measured and Indicated and 0.26 M Oz Inferred Resource, March 10, 2022

[4] North Bullfrog Project's, Preliminary Economic Assessment - Corvus Gold's Detailed Phase-1, Standalone, Near-Term Mine Development Plan in the Bullfrog Mining District, Nevada, October 7, 2020

[5] Corvus Gold Announces Mother Lode Preliminary Economic Assessment Results for a Standalone Future Mining Expansion Project, in the Bullfrog Mining District, Nevada, October 7 2020

[6] AngloGold Year End 2021 Results Report, February 22, 2022

[7] Augusta Gold Acquires Fully Permitted Low-cost Heap Leach Gold Project Seven Miles From Its Bullfrog Project in Nevada, April 21, 2022

[8] AngloGold Ashanti agrees to acquire Nevada properties from Coeur Mining to further consolidate and enhance development potential of the Beatty District of Nevada, September 19, 2022

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All scientific and technical information in this news release has been prepared by, or approved by Daniel MacNeil, PGeo, and Technical Advisor of the Company. Mr. MacNeil is a "Qualified Person" for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

On behalf of the Board of Directors,

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