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ZACAPA ANNOUNCES PRIVATE PLACEMENT

May 23, 2023 - Zacapa Resources Ltd. (TSXV: ZACA, OTCQB: ZACAF, DE: BH0) announces a non-brokered private placement (the “**Offering**”) for the sale of up to 40,000,000 units (the “**Units**”) at a price of \$0.05 per Unit for gross proceeds of up to \$2,000,000. Each Unit will be comprised of one common share (each, a “**Unit Share**”) and one common share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one common share (each, a “**Warrant Share**”) at a price of C\$0.075 for a period of 36 months following the closing date of the Offering.

The net proceeds from the sale of Units will be used for exploration, working capital and general corporate purposes. Finder’s fees of up to 6% cash and broker warrants will be payable in accordance with the policies of the TSX Venture Exchange (“**TSXV**”).

If at any time after the date that is four months after closing, the closing price of the common shares of Zacapa as traded on the TSXV is greater than \$0.25 for 10 consecutive trading days, the Issuer shall have the right to accelerate the expiry date of the Warrants by giving notice, via a news release, of its exercise of such right and thereafter the Warrants will, without further notice or act by the Issuer, automatically expire and be of no further force and effect on the date that is 30 days after the issuance of said news release.

Certain directors of Zacapa will subscribe for Units in the Offering. The subscription of Units to insiders pursuant to the Offering is considered a related party transaction for purposes of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”). Zacapa will rely on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 in respect of such insider participation, based on the determination that fair market value of the participation in the Offering by insiders will not exceed 25% of the market capitalization of Zacapa, as determined in accordance with MI 61-101.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The closing of the Offering is subject to receipt of all necessary regulatory approvals including the TSXV. The Unit Shares, Warrant Shares and any common shares that are issuable from any broker warrants will be subject to a hold period of four months and one day in accordance with applicable securities laws.

About Zacapa

Zacapa is a mineral exploration company engaged in gold and copper exploration in world class jurisdictions in the southwest United States, including Arizona, Nevada, Idaho, and California. The portfolio includes epithermal gold projects at South Bullfrog, Kramer Hills, and Miller Mountain and the Pearl porphyry copper project. These assets are being advanced by a highly disciplined and seasoned professional team with successful track records of discovery, resource development and mine permitting.

For more information, please visit www.zacaparesources.com or contact:

Ian Slater
Executive Chairman
+1 778 372 2551
slater@zacaparesources.com

Michelle Borromeo
Vice President Investor Relations
+1 778 330 3835
borromeo@zacaparesources.com

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