



**CAPELLA MINERALS LIMITED**  
8681 Clay Street  
Mission BC  
CANADA

**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Twelve Months Ended May 31, 2024**

**Contact Person**  
**Contact's Position**  
**Contact's Telephone Number**  
**Date of the Report**  
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**October 1, 2024**  
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**Management Discussion and Analysis**  
**For**  
**Capella Minerals Limited**  
**(“Capella”, or the “Company”)**

The following Management’s Discussion and Analysis (“MD&A”) of the Company has been prepared as of October 1,2024, and is intended to supplement and complement the Company’s audited consolidated financial statements for the years ended May 31, 2024 and May 31, 2023 (the “Annual Financial Statements”) and should be read in conjunction with the Annual Financial Statements, together with the notes thereto. The Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards.

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

**NATURE OF BUSINESS**

Capella Minerals Limited is incorporated under the laws of the Province of British Columbia, Canada with a registered address and records office located at 8681 Clay Street, Mission BC V4S 1E7.

The Company engages primarily in the acquisition, exploration and development of base metal and gold projects in Scandinavia, specifically copper(-cobalt-zinc) projects in central Norway and copper-gold projects in northern Finland.

The Company’s primary stock exchange listing is on the TSX Venture Exchange (“TSXV”), where it trades under the symbol “CMIL”. The Company also has secondary listings on the United States OTCQB (trading symbol: “CMILF”) and also on the Frankfurt Stock Exchange (trading symbol: “N7D2”).

**HIGHLIGHTS AND DEVELOPMENTS FOR THE TWELVE MONTHS ENDED MAY 31, 2024 AND TO THE DATE OF THIS REPORT**

At the date of this report the Company held interests in the following exploration projects:

<b>Project</b>	<b>Location</b>	<b>Principal Commodities</b>	<b>Capella Ownership</b>
Northern Finland Au-Cu <i>(Killero E, Killero W, Saattopora W, Keisunselka, Jolhikko)</i>	Finland	Gold, copper	70%: Cullen Resources Ltd 30%
Hessjøgruva	Norway	Copper, cobalt, zinc	100%
Løkken			10%; Teako Minerals 90%
Domain Gold JV	Canada	Gold	29.6%; Agnico Eagle 70.4%

## Key Developments

### *Exploration Portfolio- Scandinavia*

- Capella's current exploration activities are focused entirely on its portfolio of base metal and gold projects in Scandinavia, specifically its high-grade copper(-cobalt-zinc) projects in central Norway and its copper-gold projects in the Central Lapland Greenstone Belt of northern Finland.
- Key developments with respect to the Company's Finnish exploration assets include:
  - Exploration / drill permits ("EP's") were granted in 2023 for 5 key target areas in the Company's Northern Finland gold-copper project, which is located in the highly prospective Central Lapland Greenstone Belt. Four EP's - including the priority Killero E target and the Saattopora W, Keisunselka, and Jolhikko targets - were granted in May, 2023, whereas the Killero W EP was granted in December, 2023. The Company's initial priority is to undertake scout drilling of the Killero E target, the former Anglo American gold-copper target defined through favourable geology and significant Base of Till geochemical anomalies, but never drill tested. As winter conditions are required for drilling at Killero E, this program is now expected to be undertaken during the 2024/25 winter. Scout drilling at the Saattopora W target, an extension of Outokumpu Oy's former Saattopora gold-copper mine, is expected to follow immediately after Killero E.
  - On April 5, 2024, European Energy Metals Corp. (TSXV: FIN) announced that Capella had agreed to cede to FIN a 100% interest in the Central Finland Lithium-Rare Earth Element ("Li-REE") project in return for a cash consideration of C\$ 250,000, the issuance of 1,100,000 common FIN shares (in addition to 150,000 common FIN shares due as part of the original earn-in agreement), and a 2% Net Smelter Royalty ("NSR") of which half (1%) could be purchased for Euro 1,000,000. TSXV approval for the transaction was received on April 18, 2024.
  - An initial mapping and rock chip sampling program was completed at the Company's Perho lithium-Rare Earth Element ("REE") project in central Finland. Whilst the mapping program successfully identified a number of spodumene-bearing pegmatites, the sampling of 21 pegmatites returned only marginally anomalous lithium values (from below minimum detection limit to <1% Li<sub>2</sub>O). No EP's were applied for within the Perho reservation area upon expiry of the original reservation on July 26, 2024.
- In Norway, the Company announced on July 19, 2024, that the Company and Polar Transition Metals AS ("Polar"; formerly "NickelX") had agreed, following the elapse of the long stop date, to an immediate termination of the asset sale agreement (the "Transaction") that was previously announced on October 17, 2023 and subsequently amended on April 9, 2024. Under such Transaction, Polar would have acquired Capella's central Norway copper portfolio by the agreed long stop date of July 7, 2024.
- On August 19, 2024 the Company announced it had executed a Definitive Acquisition Agreement (the "Agreement") with Teako Minerals Corp. (CSE: TMIN)("Teako") pursuant to which Teako will acquire a 90% interest in Capella's high-grade Løkken copper-cobalt-zinc ("Cu-Co-Zn") project in Trøndelag, central Norway. In accordance with the Agreement, Capella received a combination of cash and common shares in Teako on August 30, 2024, a firm commitment by Teako to carrying out drilling on the Åmot target and bringing additional Cu-Co-Zn targets to drill-ready status, with Capella retaining a non-dilutable 10% carried interest on the Løkken project through to commercial production.
- Capella and Joint Venture partner Agnico Eagle Mines Limited (TSX-NYSE: AEM) have initiated a formal strategic review of the Domain gold project in Manitoba, with alternatives under consideration including the sale of a 100% interest in the advanced exploration-stage project. A final decision on the path forward for the Domain project is currently expected to be made in Q4, 2024.

- The Company announced on April 4, 2024, that Prospector Metals Corp. (TSXV: PPP) had signed a Property Acquisition Agreement through which Prospector will acquire a 100% interest in the Savant Gold Project, Ontario, in return for the payment of C\$ 50,000 in cash and the issuance of 1 million common shares upon signing. In addition, Capella will retain a 1.0% Net Smelter Royalty (“NSR”) on any future production from the property. The PPP common shares received by Capella were subsequently sold on September 24, 2024, for a net consideration of CAD 112,780.

### *Corporate*

- On May 21, 2024 the Company reached an agreement with Unico Silver Limited (ASX: USL)(“Unico”) through which Unico will acquire a 100% interest in Sierra Blanca S.A., the Argentine subsidiary whose sole asset is the Sierra Blanca gold-silver project in Santa Cruz Province. The Sierra Blanca transaction was approved by Unico shareholders in a General Meeting held on July 9, 2024. As a result of this agreement, the Company has agreed to transfer 50% of the sale proceeds to Sandstorm Gold Limited (“SSL”) in extinguishment of the remaining contractual obligation payable balance. The liability was extinguished on July 24, 2024, with the receipt of the Unico shares. The USL common shares received by Capella were subsequently sold on September 27, 2024, for a net consideration of CAD 201,492.01.
- On November 15, 2023, the Company completed its previously announced (October 17, 2023) non-brokered private placement. The Company sold an aggregate 41,775,000 units at \$0.03 per unit for gross proceeds of C\$1,253,250 and has issued the shares and warrants to participants. The shares issued were subject to a hold period trading which expired on March 10, 2024.
- On October 23, 2023, the Company received a cash injection of US\$150,000 by entering into a convertible promissory note with a non-executive director. The note and interest of 8% per annum, compounding quarterly, is repayable in cash or shares by October 13, 2024. Principal and interest is payable in quarterly instalments.
- The Company exited direct participation in three Joint Ventures (Savant Gold, Central Finland Li-REE, and Vaddas-Birtavarre Cu) during the twelve months ending May 31, 2024, in return for a combination of cash and common shares in the project operators (Prospector Metals Corp. TSXV:PPP, European Energy Metals Corp. TSXV: FIN, and Teako Minerals Ltd CSE:TMIN, respectively). Post year-end the Company sold its shareholding in PPP, but continued to hold its shareholdings in TMIN and FIN.

## **Exploration Projects - Finland**

### *Northern Finland Gold-Copper Project (Capella Initial 70% Interest)*

- Capella’s Northern Finland gold-copper project consists of 5 exploration / drill permits (“EL’s”) located within the world-class metallogenic province of the Central Lapland Greenstone Belt (“CLGB”).
- The EL’s lie immediately adjacent to the to the highly prospective Sirkka Thrust Zone, a regional structural corridor within the CLGB which is associated with numerous occurrences of both gold and base metals. The EL’s were applied for prior to the expiry of the original 200 sq. km Aakenus-Katajavaara reservation on December 21, 2022.
- The Company’s 5 granted EP’s are as follows:
  - **Killero E (Priority 1a)** – former Anglo American PLC<sup>1</sup> project with significant gold-copper Base of Till (“BoT”) geochemical anomalies, but never drill tested. A major NE-trending fault zone is also evident cross-cutting the copper-gold anomaly from Capella’s high resolution drone magnetic data.
  - **Killero W (Priority 1a)** - second anomalous area, located about 4km W of Killero E, with exceptional gold-copper values derived from historical BoT sampling by AngloAmerican PLC but never drilled
  - **Saattopora W (Priority 1b)** – interpreted W-NW extensions to Outokumpu Oy’s former Saattopora gold-copper mining operation
  - **Keisunselka** – interpreted high-grade gold hosted in deformed banded mafic volcanic target

- *Jolhikko* – gold and base metal targets in complex deformation zone
- The Company’s maiden core drill program at the Killero E and Killero W targets has now been postponed until winter 2024/25 (until the return of winter conditions), with drilling of the Saattopora W target expected to follow immediately afterwards.
- The Company made its second anniversary cash payment of US\$75,000 (C\$102,867) to Cullen during the twelve month ending May 31, 2024 as required under the signed letter of intent for the Northern Finland gold-copper projects.

<sup>1</sup> Historic geochemical results quoted for Killero E and Killero W are derived from Geological Survey of Finland (“GTK”) 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.

### ***Central Finland Lithium-REE Portfolio***

- On March 20, 2023, Capella announced that it had entered into a Definitive Earn-In Agreement with Hilo Mining Ltd. (TSXV: HILO)(“Hilo”) in which Hilo may earn in to an 80% interest in a portfolio of five Li-REE pegmatite reservations held by Capella in central Finland. The five reservations cover 2,300 square kilometers and target spodumene-bearing pegmatite complexes within the Järvi-Pohjanmaa and Seinäjoki lithium-permissive tracts as defined by the Geological Survey of Finland. Four of the reservations (Nabba, Lappajärvi W, Lappajärvi E, and Kaatiala) lie immediately adjacent to, and to the south of, Keliber Oy's spodumene mine development project in the Kaustinen district. Hilo announced a Corporate name change to European Energy Metals Corp. (TSXV: FIN)(“FIN”) effective April 25, 2023. The Earn-In Agreement requires FIN to invest a minimum C\$2,500,000 in exploration expenditures and make total cash (C\$ 450,000) and common share (2,000,000) payments to Capella within a 4-year period. TSXV Exchange approval for the original Capella-Hilo transaction was received on April 6, 2023.
- Field crews were active on the project between July and October 2023 and reviewed numerous known pegmatite occurrences and collected a total of 1,099 rock chip / grab samples. On December 7, 2023, European Energy announced the discovery of high-grade lithium boulder trains within the northernmost Nabba reservation, Central Finland Lithium Project. Concurrently, two EPL’s have been applied for and, once approved, will allow for scout drilling designed to locate the source of the boulder trains.
- On January 10, 2024 the Company noted that European Energy confirmed that it had completed C\$1 million in exploration expenditures on the Central Finland Lithium Project, a partial requirement for earning-in to an initial 51% interest in the Project as per the original Earn-In Agreement.
- On April 5, 2024, the Companies announced that Capella had agreed to cede to FIN a 100% interest in the Central Finland Li-REE project in return for a cash consideration of C\$250,000, 1,100,000 common FIN shares (in addition to 150,000 common FIN shares due as part of the original earn-in agreement), and a 2% Net Smelter Royalty (“NSR”) of which half (1%) may be purchased for Euro 1,000,000. TSXV approval for the transaction was received on April 18, 2024.

### ***Perho Lithium-REE Project (Capella Initial Interest 70%)***

- The Company’s 50 sq. km Perho Li-REE reservation application in central-southern Finland was granted by Finnish authorities on October 5, 2022. The Perho reservation is located within the Eräjärvi pegmatite field and covers the Seppala lithium occurrence and lies adjacent to the former Viitaniemi and Juurakko feldspar-quartz mines. The Eräjärvi district is reported to contain over 70 pegmatite occurrences with little modern systematic exploration having been undertaken in the area.
- Initial systematic field evaluation of the Perho Li-REE reservation commenced in October, 2023, together with technical and field support from local consulting company Geopool Oy. Whilst the mapping program successfully identified a number of spodumene-bearing pegmatites, the sampling of 21 pegmatites returned only marginally anomalous lithium values (from below minimum detection limit to <1% Li<sub>2</sub>O).

- No EP's were applied for within the Perho reservation area upon expiry of the original reservation on July 26, 2024.

## **Exploration Projects - Norway**

### *Hessjøgruva Cu-Co-Zn District, Trøndelag County, Norway (100% Capella)*

- Drill permits were received for a 4,000m / 8 hole diamond drill program at the Hessjøgruva copper-cobalt-zinc VMS project. Initial planning was based on a mixture of both infill and step-out drilling on the Hessjøgruva Lens A deposit. This drill program was originally scheduled to be executed during the 2023 summer season, however, as a direct result of financial considerations this program has been postponed to summer 2024.
- The Company filed an NI 43-101-compliant technical report for the Hessjøgruva project on September 8, 2022. This technical report was prepared by GeoVista Aktiebolag ("GeoVista") and provided a summary of all exploration activities completed to date at Hessjøgruva, including the 12,035m of historical diamond drilling that was undertaken during the 1970's. A copy of this technical report is available under Capella's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.capellaminerals.com](http://www.capellaminerals.com)).
- Capella expanded its claim holdings in the Hessjøgruva district through the staking of 43 sq. km of new exploration claims over the adjacent, past-producing Kongensgruve district. The central portion of the Kongensgruve claim block lies approximately 6km east of the Hessjøgruva project and contains a series of known copper-zinc-cobalt occurrences (including Rødalen, Fjellsjoen, Kongensgruve, and Muggruva), in addition to a former mineral processing facility and tailings dam.
- On January 23, 2023, the Company announced the initiation of a scout diamond drill program at the Kjølvi copper-cobalt-zinc VMS project, which is located approximately 20km NE of the Hessjøgruva project. A total of 1,412m drilling was completed in initial testing of the Kjølvi Deeps, Kjølvi Mine Extension, and Guldalsgruva areas. Initial assay results reported on May 23, 2023 confirmed the existence of limited thicknesses of high-grade Cu-Co-Zn mineralization. The drilling was accompanied by downhole electromagnetic (DHEM) and surface-loop electromagnetic (SLEM) surveys designed to identify potential buried massive sulfide bodies in the vicinity of drill holes.
- On August 31, 2024, Capella advised EMX Royalty Corp. (TSXV/NYSE: EMX)("EMX") of its intention to return the Kjølvi claim block to EMX due to perceived limited upside / economic potential. Discovery focus in the District will return to the core Hessjøgruva-Kongensgruve target areas.

### *Løkken Cu-Co-Zn District, Trøndelag County (100% Capella)*

- Permitting was completed for a scout diamond drill program at the Åmot copper-cobalt-zinc VMS prospect, which is located 5km due E of the former Løkken mining operations. As for Hessjøgruva, the original drill plan for Åmot had contemplated a summer 2023 drill program, however, this program has now also been postponed to late 2024.
- The primary target at Åmot is an undrilled, 1.5km-long geophysical (electromagnetic and ground magnetic) anomaly situated approximately 150m below surface and associated with coincident surface soil geochemical anomalies. A scout program of 1,250m / 4-6 holes is proposed to test Åmot.
- The Åmot and adjacent Høydal targets were the focus of the Company's extensive summer 2022/2023 field programs which included ground magnetic surveys and systematic soil (Ionic Leach) geochemical sampling. Results derived from these field programs formed the basis for drill hole targeting at Åmot.
- An advance royalty payment of \$25,000 was made in Q4, 2022, to EMX Royalty Corp (TSXV/NYSE: EMX) as per the terms of the amended (November 2020) acquisition agreement for the Løkken project. Further advance royalty payments of \$25,000 and \$30,000 were made to EMX for 2023 and 2024, respectively.
- On August 19, 2024 the Company announced it had executed an Agreement with Teako Minerals Corp (CSE: TMIN)("Teako") pursuant to which Teako will acquire a 90% interest in Capella's Løkken copper-

cobalt-zinc project. In accordance with the Agreement, Capella received a combination of cash and common shares in Teako on August 30, 2024, a firm commitment by Teako to carrying out drilling on the Åmot target and bringing additional Cu-Co-Zn targets to drill-ready status, with Capella retaining a non-dilutable 10% carried interest on the Løkken project through to commercial production.

#### *Terms of the Agreement*

Key terms of the Agreement under which Teako will acquire a 90% interest in the Løkken project include:

- i) Capella to receive C\$350,000 in cash and 2,500,000 common Teako shares on or before August 30, 2024 (completed).
- ii) Teako to commit to drilling the Åmot target with new funds raised within twelve months of signing the Agreement, in addition to advancing at least two further targets to drill-ready status within 24 months from signing.
- iii) Teako to pay Capella a further CAD 1,250,000 upon a Final Investment Decision (“FID”) being made to proceed to the construction of a mine within the Løkken project.
- iv) Capella to retain a 10% carried interest to production, which includes capital costs, on any discovery made within the Løkken project.
- v) Teako to keep the property in good standing and to make all annual advanced royalty payments to EMX Royalty Corporation (“EMX”) starting 30 September, 2024.
- vi) Customary tag along / drag along rights, with Capella maintaining at all times a Right of First Refusal (“ROFR”) on any bona fide third-party offer received for Teako’s interest in the Løkken project.

In the event that Teako makes a Final Investment Decision to proceed with commercial production, Capella and Teako will then enter into a Joint Venture Agreement (“JV Agreement”). As part of this JV Agreement, Capella will not be required to make any contributions to the mine capital costs until commercial production commences (at which time Capella will be required to payback its share of capital costs by netting out 25% of the amount of any distribution to Capella until such amounts are recovered). Should the mine close prior to final repayment, the balance outstanding payable by Capella will be forgiven clear of any further obligations.

#### ***Vaddas-Birtavarre Cu-Co District, Northern Norway***

- Capella and Teako Minerals Corp (CSE: TMIN)(“Teako”) agreed to a strategic partnership covering exploration collaboration and communication in the northern Scandinavia copper belt. As part of this agreement, Teako acquired a 50% interest in the combined Vaddas-Birtavarre properties for a consideration of 1,000,000 Teako common shares and retains the option to acquire a 100% interest in the projects in return for a minimum exploration expenditure of C\$100,000 with the first year and further issuances of 250,000 common shares to Capella in both Years 1 and 2.
- Capella successfully staked its first exploration claims in the past-producing Vaddas-Birtavarre copper-cobalt+/-zinc VMS district of northern Norway in July 2022. The Vaddas-Birtavarre district is located in the Finnmark og Troms Province, some 60km E of the regional centre of Trømsø and immediately to the west of the former Boliden -Norden Crown (TSXV: NOCR) copper exploration JV at Burfjord.
- Reconnaissance field evaluations of the Vaddas-Birtavarre districts were undertaken during late summer 2022, with results from these initial mapping/sampling programs being utilized to prioritize areas for follow-up field programs. Land holding fees for 2023 were paid for a core group of priority exploration claims covering 90 sq. km at Vaddas and 30 sq. km at Birtavarre.

On March 13, 2024, Teako announced an amendment to the original earn-in agreement through which Capella would grant Teako 100% ownership of Vaddas-Birtavarre project in exchange for a cash payment of NOK 315,000 (being the cash equivalent of the remaining 500,000 Teako common shares to be issued to Capella). Capella continues to hold the 1,000,000 Teako common shares that were originally issued.

## Exploration Projects – Canadian Gold Joint Ventures

### *Savant Gold Joint Venture*

- Capella’s Savant Gold JV project in Ontario was subject to an Earn-In Agreement through which Prospector Metals Corp. (TSXV: PPP)(“Prospector”) could acquire a 70% interest in the project in return for completing C\$2 million of exploration expenditures prior to November 15, 2024. In addition, Prospector was required to make staged cash and share payments to Capella totalling C\$200,000 and 2,666,666 common shares, respectively.
- During the year ended May 31, 2023, the Company received an anniversary cash payment of C\$50,000 and 666,666 Prospector Metal shares as required under the Earn-In Agreement. The Prospector shares received were subject to a four month hold period until March 15, 2023. The third anniversary date of the Savant JV agreement fell on November 15, 2023; however, Prospector notified the Company of Force Majeure on June 6, 2023 (relating to access issues created by a local First Nations Group), resulting in indefinite postponement of exploration activities and payments.
- Prospector’s summer 2022 field work program successfully identified high-grade gold grades in two main structural corridors: i) a first-order deformation zone named the Wiggle Deformation Zone (and which passes through the previously recognized Wiggle Creek gold prospect) and ii) the newly defined Snowbird-Shoal Deformation Zone (which passes through the Snowbird, Horseshoe, and Shoal gold prospects). Adjacent, undrilled fold hinges in iron-formation were also identified as high-priority targets for gold mineralization. A new LiDAR survey was also completed over the Savant Gold project with data derived from this survey having now been processed and integrated in to targeting activities.
- On April 4, 2024, the Companies announced that Capella had granted Prospector the right to acquire a 100% interest in the Savant Gold Project in return for a consideration of C\$50,000 in cash, 1,000,000 Prospector common shares, and a 1% NSR (with one half – or 0.5% - being purchasable for C\$1 million). TSXV approval for the transaction was received on April 5, 2024. The PPP common shares received by Capella were subsequently sold on September 24, 2024, for a net consideration of CAD 112,780.

### *Domain Gold Joint Venture (Agnico Eagle Mines Ltd 70.4% / Capella 29.6%)*

- Agnico Eagle Mines Ltd (TSX-NYSE: AEM)(“Agnico”) formally became Capella’s Joint Venture (JV) partner at the Domain Gold project on March 31, 2023, upon completion of the acquisition by Agnico of all of Yamana Gold Inc’s (“Yamana”) former Canadian gold assets.
- No significant field activities were undertaken by Agnico during the current reporting period. However, Agnico and Capella have initiated a formal strategic review of the Domain gold project, with alternatives under consideration including the sale of a 100% interest in the project.
- The Domain Gold JV is an advanced exploration-stage gold project with 62 holes / 9,660m of historic core drilling. Domain is a 70.4%-29.6% contributing JV between Agnico and Capella, with Agnico being the project operator.
- No significant field activities were undertaken by Agnico during the current reporting period. However, Agnico and Capella have initiated a formal strategic review of the Domain gold project, with alternatives under consideration including the sale of a 100% interest in the project. A final decision on the path forward for the Domain project is currently expected to be made in Q4, 2024.



## Argentine Project Divestiture

### *Sierra Blanca Gold-Silver Project (Austral Gold 51% / Capella 49%)*

- Austral Gold Ltd (ASX: AGD; TSXV: AGLD) (“Austral”) completed its minimum Years 1 and 2 exploration expenditures (total US\$300,000) on the Sierra Blanca gold-silver project in Santa Cruz Province, Argentina and therefore earned-in to a 51% interest in the project. However, Austral was required to invest a further US\$400,000 during Year 3 (before September 15, 2023, and including a minimum of 2,000m of core drilling) in order to increase its interest in Sierra Blanca to 80% but failed to meet its obligations. Subsequently, Austral and Capella entered in to a sales agreement with Unico Silver Limited (“Unico”) through which Unico would acquire a 100% interest in the Sierra Blanca gold-silver project in return for Unico common shares. The USL common shares received by Capella were subsequently sold on September 27, 2024, for a net consideration of CAD 201.492.01.

## Corporate Developments

- At the date of this report, Capella held common shares in the following listed corporations:

Company	Shares	Status
Teako Minerals (CSE: TMIN)	3,500,000	1,000,000 shares free trading. Voluntary hold periods on a further 2,500,00 shares beginning December 29, 2024.
European Energy (TSXV: FIN)	1,250,000	150,000 shares free trading. Voluntary hold periods on a further 1,100,000 shares beginning September 18, 2024.

- The Company also held the following Net Smelter Returns (“NSR’s”) at the date of this report:

Project	NSR	Buy-back Provisions
Central Finland Li-REE	2%	1% may be acquired at any time for Euro 1,000,000
Savant Gold	1%	0.5% may be acquired at any time for \$C 1,000,000

- **European Energy Metals Corp. Shareholdings** – the Company has received the following share allocations from European Energy Metals Corp. (TSXV: FIN):
  - 100,000 FIN shares were issued to Capella on April 10, 2023, as part of the on-signing commitment for the Central Finland Li-REE project earn-in agreement. These shares were subject to a 4 month hold period and, as of the date of this report, had been sold to fund ongoing exploration and corporate activities.
  - On March 15, 2024, the Company received a further 150,000 FIN common shares as part of the Year 1 anniversary commitments relating to the Central Finland Li-REE project earn-in agreement. These shares are subject to a 4 month regulatory hold period.
  - A further 1,100,000 common FIN shares were received on April 23, 2024, in relation to FIN’s agreed acquisition of a 100% interest in the Central Finland Li-REE project. These shares have voluntary hold periods as per following schedule: 366,670 shares are subject to hold until September 18, 2024; 366,665 shares are subject to hold until April 18, 2025; and 366,665 shares are subject to hold until September 18, 2025.

- **Teako Minerals Corp. Shareholdings** – the Company has received the following share allocations from Teako Minerals Corp. (CSE: TMIN).
  - On November 15, 2023 the Company received 1,000,000 Teako common shares as part of the agreement signed with Teako in relation to the Vaddas-Birtavarre properties.
  - On August 28, 2024, the Company received a further 2,500,000 common TMIN shares as part of the divestiture of a 90% interest in the Lokken project. These shares have voluntary hold periods as per the following schedule: 833,334 shares are subject to hold until December 29, 2024; 833,333 shares are subject to hold until April 28, 2025; and a further 833,333 shares are subject to hold until August 28, 2025.
- **Prospector Metals Shareholding** – On April 10, 2024, Capella was issued 1,000,000 Prospector Metals shares as partial consideration for the acquisition of a 100% interest in the Savant Gold Project. These shares were subject to a 4 month hold and were subsequently sold on September 24, 2024
- **Unico Silver Shareholding** – the Company received 1,132,750 common shares in ASX-listed Unico Silver Ltd on July 24, 2024, as consideration for the sale of its interest in Argentine subsidiary Sierra Blanca SA. These shares were subsequently sold by the Company on September 27, 2024.
- **Annual General Meeting (“AGM”)** – the Company held its AGM on January 5, 2024 with all resolutions being passed.
- **Promissory note** - On October 23, 2023, the Company received a cash injection of US\$150,000 by entering into a convertible promissory note with a non-executive director. The note and interest of 8% per annum, compounding quarterly, is repayable in cash or shares by October 13, 2024. Principal and interest is payable in quarterly instalments.

- **Private placement:**

On November 15, 2023, the Company completed its previously announced (October 17, 2023) non-brokered private placement. The Company sold an aggregate 41,775,000 units at \$0.03 per unit for gross proceeds of C\$1,253,250 and has issued the shares and warrants to participants. The shares issued are subject to a hold period trading restriction expiring March 10, 2024. The Company paid 3 finders a finders' fee calculated as to 7% in cash and 10% in warrants for eligible purchasers. Haywood Securities Inc.; Leede Jones Gable Inc.; and LHC Mine Finance Ltd. were paid an aggregate C\$57,050 in fees and issued a total 2,716,667 finders' warrants under the same terms and conditions as the unit warrants. The Company also incurred a further \$10,359 in fees related to the non-brokered private placement completed on November 15, 2023. Each unit of the private placement consists of one common share in the capital of the Company and one-half of a share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of C\$0.06 per share at any time until expiry, November 09, 2025. The warrants are restricted from being exercised if by exercising them the holder would become a 10% shareholder. Further, the warrants are subject to an accelerated exercise clause in the event the Company's share price exceeds C\$0.15 for 10 consecutive trading days.

## Proposed Transactions

Please refer to *Key Developments* section for details on proposed transactions by the Company.

## OUTLOOK

The Company expects to continue managing and advancing exploration activities on its portfolio of copper-gold and Li-REE projects in Finland and copper-cobalt projects in Norway. The Company also continues to evaluate strategic alternatives for the Domain Gold JV in Manitoba.

The volatility of stock markets and precious and base metals have eroded investor confidence to the extent that both advanced and junior companies have had a difficult time obtaining equity financing on reasonable terms. The Company is currently evaluating all financing options available to the Company at both the corporate and project level. The Company is seeking additional equity funding or alternative financing options to fund its

ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding or securing alternative financing options.

### **Qualified Persons and Disclosure Statement**

All information relating to exploration activities has been reviewed by Eric Roth, Chief Executive Officer and Executive Director of Capella Minerals Limited and presented in accordance with Canadian regulatory requirements as set out by National Instrument (“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), a Fellow of the Society of Economic Geologists (SEG), and a Qualified Person under NI 43-101. Mr Roth has 35 years experience in international minerals exploration and mining project evaluation.

## Exploration and Evaluation Expenditures

	Southern Gold Line, Sweden	Løkken, Norway	Kjøli, Norway	Hessjogruva, Norway	Vaddas- Birtavarre, Norway	Aakenus, Finland	Katajavaara, Finland	Pehro, Finland	Euro- lithium, Finland	Savant Lake, Ontario Canada	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance May 31, 2022</b>	<b>125,738</b>	<b>1,232,648</b>	<b>1,208,395</b>	<b>5,253</b>	<b>4,715</b>	<b>415,853</b>	<b>253,284</b>	-	-	<b>638,103</b>	<b>3,883,989</b>
Acquisition and tenure	-	134,537	138,706	37,760	18,148	16,392	861	4,115	928,351	-	1,278,870
Camp, travel, administration and other costs	-	108,099	71,906	3,652	17,027	10,623	2,088	3,652	8,833	-	225,880
Geologists and data collection	-	302,734	969,166	23,680	51,241	69,492	-	62	25,495	-	1,441,870
Drilling and assay costs	-	27,265	-	-	-	-	-	-	-	-	27,265
Write down of exploration and evaluation assets and other	(126,320)	-	-	-	-	-	-	-	-	-	(126,320)
Farm out recoveries	-	-	-	-	-	-	-	-	(155,000)	(140,000)	(295,000)
Foreign exchange movement	582	(49,436)	(139,803)	(3,455)	(3,844)	16,882	236	256	1,027	-	(177,555)
<b>Balance May 31, 2023</b>	<b>-</b>	<b>1,755,847</b>	<b>2,248,370</b>	<b>66,890</b>	<b>87,287</b>	<b>529,242</b>	<b>256,469</b>	<b>8,085</b>	<b>808,706</b>	<b>498,103</b>	<b>6,258,999</b>
Acquisition and tenure	-	30,000	30,129	30,845	22,959	88,259	-	-	-	-	202,192
Camp, travel, administration and other costs	-	35,220	32,051	2,366	-	8,009	18,530	1,837	-	-	98,013
Geologists and data collection	-	129,335	151,626	18,297	-	43,391	34,760	39,132	-	-	416,541
Drilling and assay costs	-	-	2,348	-	-	-	-	-	-	-	2,348
Farm out recoveries	-	-	-	-	(79,939)	-	-	-	(36,750)	-	(116,689)
Sale of project	-	-	-	-	(34,245)	-	-	-	(777,143)	(498,103)	(1,309,491)
Provision for impairment /write down of exploration costs	-	(1,443,946)	(2,552,519)	-	-	-	-	(47,228)	-	-	(4,043,693)
Foreign exchange movement	-	49,094	87,995	3,585	3,938	(24,811)	(229)	(1,826)	5,187	-	122,933
<b>Balance May 31, 2024</b>	<b>-</b>	<b>555,550</b>	<b>-</b>	<b>121,983</b>	<b>-</b>	<b>644,090</b>	<b>309,530</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,631,153</b>

## FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES, OPERATIONS AND FINANCIAL RESULTS

### OVERALL PERFORMANCE

During the twelve months ended May 31, 2024, the Company incurred a loss of \$5,746,150 (May 31, 2023: \$1,453,051). This loss was due predominantly to ongoing management and administrative expenses incurred of \$592,528, shareholder information and meetings of \$98,850, share-based payments expense of \$39,017, travel expenses of \$45,947, regulatory and transfer agent fees of \$54,083 and general office expenses of \$41,811. The Company recognised a loss on disposal of assets of \$615,091 consisting of the Company's Eurolithium project in Finland, the Vaddas-Birtavarre project in Norway and the Savant Like project in Canada, as well as recognition of impairment of \$1,443,946 over the Company's Lokken project and Kjoli project of \$2,552,519. The Company also expensed \$34,092 in exploration costs incurred in Sweden and Finland as it continued local operations and looked for additional exploration opportunities.

The Company will seek additional equity funding or alternative financing options to fund current and ongoing exploration activities and general and administrative costs.

### FINANCIAL POSITION

A summary of the Company's financial position is as follows:

	May 31, 2024	May 31, 2023	May 31, 2022
	\$	\$	\$
Current assets	158,802	136,151	302,961
Non-current assets	2,081,079	6,432,086	4,327,893
Current liabilities	(1,495,493)	(1,141,503)	(310,531)
Non-current liabilities	-	(247,201)	(327,536)
Shareholders' equity	<b>744,388</b>	<b>5,179,533</b>	<b>3,992,787</b>

Included in current assets at May 31, 2024 is cash of \$61,409 and prepaid expenses of \$40,880. The movement in current assets in the current period is due to expenditure on the Company's exploration projects and payment of corporate costs incurred to support the Company's operations.

The non-current assets balance has decreased by \$4,531,007 due to: the provision for impairment of \$1,443,946 recognised over the Lokken project and provision for impairment of \$2,552,519 recognised over the Kjoli project; and the sale of the Company's interests in the Vaddas-Birtavvare project, Eurolithium project and Savant Lake project totalling \$1,309,491. These decreases were offset by the ongoing expenditure at the Company's Norwegian and Finnish projects and the receipt of 1,000,000 Teako shares received during the period. The Company sold 100,000 European Energy shares during the period with proceeds used to fund ongoing exploration and corporate activities and ongoing general and administrative costs of the Company. Exploration and evaluation expenses have also been impacted by movements in exchange rates between NOK, SEK, EUR and the Company's reporting currency CAD.

Current liabilities of the Company include accruals and accounts payable totalling \$971,117. These balances can fluctuate from period to period depending on the level of exploration activity and corporate activities undertaken by the Company. At May 31, 2024 these liability balances mainly comprise of payables related to exploration activities of \$332,234, directors' fees payable of \$95,466, related party and management payables for accrued fees of \$248,960, audit and tax fee accrual of \$53,649 and other accounts payable related to general administrative and management expenditure of \$240,808. Current liabilities balance also includes the contractual obligation balance of \$176,891 that was extinguished subsequent to the period end and \$133,369 being the current portion of the deferred consideration payable recognised on acquisition of Cullen Finland Oy. Current liabilities also includes a balance of \$214,116 for the convertible promissory note entered into with a non-executive director for US\$150,000 plus interest.

## RESULTS OF OPERATIONS

The following is a breakdown of significant costs incurred for the twelve-month periods ending:

	May 31, 2024	May 31, 2023
	\$	\$
Management and administrative fees	592,528	559,315
Shareholder information and meetings	98,850	152,871
Travel	45,947	48,470
Regulatory and transfer agent fees	54,083	64,586
Office and general	41,811	36,484
Share-based payments	39,017	187,264
Professional fees	11,611	3,662
Loss on sale of financial assets	34,550	47,757
Provision against/write off deferred exploration and evaluation costs	4,043,693	-
Loss on disposal of assets	615,091	-
Share of losses investment in associate	49,119	16,376
Unrealized loss on financial assets	22,000	-
Write off exploration and evaluation costs	34,092	230,528
Revaluation – contractual obligation payable	17,022	-
Interest	9,513	-
Deferred consideration payable interest	11,004	10,566
Contractual obligation interest	157	311
Foreign exchange loss	26,062	49,361

### Discussion of operations

*Twelve months ended May 31, 2024 and May 31, 2023.*

During the twelve months ended May 31, 2024 (“current twelve-month period”), the Company recorded a net loss of \$5,746,150 compared to a net loss of \$1,453,051 for the twelve-month period ended May 31, 2023 (“comparative twelve-month period”).

This loss was due predominantly to management and administrative expenses incurred of \$592,528 (detailed further below), regulatory and transfer fees incurred of \$54,083, shareholder information and meetings of \$98,850, share-based payments expense of \$39,017, travel costs \$45,947 exploration and evaluation costs of \$34,092 expensed during the current period and recognition of provisions totalling \$4,043,693 against the Lokken , Kjoli and Pehro projects as well as a loss on disposal of assets totalling \$615,091 following the various divestiture of several of the Company’s projects.

These costs are detailed further below.

Management and administrative fees have increased in the current twelve-month period due mainly to an increase in administrative costs in Finland due to new subsidiary and increased audit fees.

Shareholder information and meetings has decreased by \$54,021 as management looked to decrease costs by less attendance at conferences in the current year and discontinuation of investor relation consultant from the prior year.

Regulatory and transfer fees have decreased due to the acquisitions and agreements entered into in the prior year and the associated filing fees associated with these activities.

Share based payments expense decreased as a result of the cost for options issued being recognised over the vesting period of the options issued with no options being issue in the current period.

Realised losses from the sale of financial assets, have decreased from prior year due to the timing and quantum of investment shares sold from one period to the next. During the twelve months ended May 31, 2024, the Company sold 100,000 European Energy shares for gross proceeds of \$40,585 and cash costs to sell of \$135, with a total loss of \$34,550 (including costs to sell) being recorded for the twelve months ending May 31, 2024.

The Company recognised \$49,119 in its share of losses in relation to Siera Blanca prior to reallocating this asset as an asset held for sale as at May 31, 2024. The Company's share of losses has increased form the prior year due to increased foreign exchange costs recorded in Sierra Blanca as a result of the devaluation of the Argentinean peso.

The Company expensed \$34,092 of exploration and expenditure costs incurred during the period in Sweden and Finland as these costs were not directly related to exploration assets capitalised at period end. These costs fluctuate from period to period depending on the level activity undertaken. The Company recorded a provision of \$1,443,946 over its Lokken project due to the agreement signed with Teako, and a provision of \$2,552,519 over the Kjoli project as the Company does not intend to progress this project further. The Company recorded a loss on disposal of \$302,743 on its Eurolithium project following the agreement signed during the period , to cede 100% of the project to European Energy ; loss on disposal of \$278,103 was recorded in the current twelve month period from the sale of the Savant Lake project to Prospector ; and recorded a loss on disposal of \$34,245 for the Vaddas-Birtavarre project following an amendment to the signed agreement to grant Teako a 100% ownership in the project.

The Company also recognized a loss on revaluation of the contractual obligation payable of \$17,022 following the agreement with Unico whereby 100% of the Company's interest in Sierra Blanca is to be sold (effective subsequent to the year end) with the Company to use part proceeds of the sale to extinguish the annual payments to Sandstorm.

The Company has recognised interest of \$9,513 related to the promissory note entered into in the current twelve-month period.

All other costs have remained relatively consistent across the comparative periods.

The Company capitalizes all acquisition and exploration costs until the property to which those costs relate is placed into production, sold or abandoned. The decision to abandon a property is largely determined from exploration results and the amount and timing of the Company's write-offs of capitalized mineral property costs will vary from one year to the next and typically cannot be predicted in advance.

## **SUMMARY OF QUARTERLY RESULTS**

The following table sets out selected quarterly financial information of Capella and is derived from unaudited quarterly financial statements prepared by management.

Period	Revenues \$	Net profit (loss) for the period \$	Net profit/(loss) per share for the period- basic \$	Net profit/(loss) per share for the period- diluted \$
Three months ended May 31, 2024	Nil	(4,700,588)	(0.03)	0.00
Three months ended February 28, 2024	Nil	(525,595)	0.00	0.00
Three months ended November 30, 2023	Nil	(283,537)	0.00	0.00
Three months ended August 31, 2023	Nil	(236,430)	0.00	0.00
Three months ended May 31, 2023	Nil	(418,277)	0.00	0.00
Three months ended February 28, 2023	Nil	(264,777)	0.00	0.00
Three months ended November 30, 2022	Nil	(397,827)	0.00	0.00
Three months ended August 31, 2022	Nil	(372,170)	0.00	0.00

The Company's quarterly results can be affected by many factors such as winter conditions and/or seasonal fluctuations, variations in capital markets, the write-off of capitalized amounts, share-based payment costs, tax recoveries and other factors that affect Company's exploration and financing activities.

Mineral exploration is often a seasonal business, and the Company's expenditures and cash requirements may fluctuate depending upon the season.

The Company's expenditures may also be affected by the strength of capital markets. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level may decline as a result of difficulties raising funds. When capital markets strengthen and the Company is able to secure equity financing with favourable terms, the Company's activity levels, and the size and scope of planned exploration projects may increase.

The Company's net loss of \$4,700,588 for the fourth quarter of fiscal year 2024 has increased from prior quarters due to the recognition of loss on disposal of assets of \$615,091 due to the divestment of the Vaddas-Birtavarre, Euolithium and Savant Lake projects in the period. The recognition of an impairment provision of \$2,552,519 over the Kjoli project and \$1,443,946 over the Lokken project following an agreement with Teako Minerals. The net loss recorded for the current quarter also includes management and administrative fees incurred of \$165,444, required to support the ongoing management and administrative activities of the Company. These costs have decreased from the prior period comparative quarter due to the bonus paid to the CEO in Q2 2023, this decrease has been offset by increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio from that period and increased accounting fees incurred due to increased presence in Finland. Interest expense has increased from prior quarters due to the interest recognised on the related party promissory note balance. The Company's share of losses from its investment in associate has also increased due to increased foreign exchange losses recorded in Sierra Blanca due to the continued devaluation of the Argentinean peso. Share based payments have reduced from prior quarters due to the recognition of the cost over the relevant vesting period. All options are now fully vested. The Company also recognized a loss of \$17,022 in the current period following the agreement with Unico whereby 100% of the Company's interest in Sierra Blanca is to be sold (effective subsequent to the year end) with the Company to use part proceeds of the sale to extinguish the annual payments to Sandstorm. All other costs remain relatively consistent with preceding quarterly results.

The Company's net loss of \$525,595 for the third quarter of fiscal year 2024 remains relatively consistent with the preceding quarters. The net loss recorded for the current quarter is due mainly to management and administrative fees incurred of \$140,215 required to support the ongoing management and administrative activities of the Company. These costs have decreased from the prior period comparative quarter due to the bonus paid to the CEO in Q2 2023, this decrease has been offset by increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio from that period. Interest expense has increased from prior quarters due to the interest recognised on the related party promissory note balance. Share based payments have reduced from prior quarters due to the recognition of the cost over the relevant vesting period. All options are now fully vested. All other costs remain relatively consistent with preceding quarterly results. The



Company also recorded a provision totalling \$250,000 recognised against the Vaddas-Birtavarre project and Eurolithium project.

The Company's net loss of \$283,537 for the second quarter of fiscal year 2024 remains relatively consistent with the preceding quarters. The net loss recorded for the current quarter is due mainly to management and administrative fees incurred of \$151,208 required to support the ongoing management and administrative activities of the Company. These costs have decreased from the prior period comparative quarter due to the bonus paid to the CEO in Q2 2023, this decrease has been offset by increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio from that period. Shareholder information and meetings expenses have increased from the first quarter of 2024 due to timing of investor conferences attended but have decreased marginally from the prior comparative period due to a reduced number of conferences and activities being undertaken. All other costs remain relatively consistent with preceding quarterly results.

The Company's net loss of \$236,430 for the first quarter of fiscal year 2024 remains relatively consistent with the preceding quarters. The net loss for the current quarter is due mainly to management and administrative fees incurred of \$135,660 required to support the ongoing management and administrative activities of the Company. These have increased from the comparative quarter due to increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio from that period. An unrealised loss of \$26,750 recognised on equity investments held at period end also contributed to the loss for the period. The value of these financial assets will fluctuate from period in line with movement in the share price of the quoted equity shares and the number of shares held. The Company also recognised an expense of \$22,686 for exploration expenditure immediately expensed during the period. This expenditure incurred was not directly related to exploration assets held at year end. The loss incurred in the current period has decreased from the preceding quarter mainly due to the larger write off of exploration expenditure in Q4 2023 and a decrease in marketing and investor relation expenditure in the current period as management looked to reduce expenditures.

The Company's net loss of \$418,277 for the fourth quarter of fiscal 2023 which remains consistent with the preceding quarters but a decrease of \$1,313,804 from the prior period comparative quarter. The net loss for the tQ4 2024 is due mainly to the write off exploration expenditure of \$140,426, management and administrative fees incurred of \$150,876 being required to support the ongoing activities of the Company. these have increased by \$46,312 when compared to the prior period comparative quarter due mainly due to increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio. General and administrative expenses have decreased from those of the comparative quarter including reductions in : share based payments due to the variation in vesting periods of options issued; shareholder information costs due to a reduction in marketing activities and variations to conferences attended and regulatory and legal fees due to the OTCQB listing application in the prior period. The loss in the prior period comparative quarter is greater as a result of the recognition of provision for impairment of \$880,170 as well as an unrealised loss of \$544,678 on financial assets held at period end.

The Company's net loss of \$264,777 for the third quarter of fiscal 2023 is due mainly to management and administrative fees incurred of \$142,635 being required to support the ongoing activities of the Company. These have increased by \$29,884 when compared to the comparative quarter due mainly to increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio, Office and general costs have increased mainly due to the expense incurred in office rental costs incurred for use by the company geologist. This office space is no longer required and has been expensed in full. The Company also wrote off prepaid license fees of \$83,270 related to the Southern Gold Line, Sweden, project during the current quarter. All other general and administrative expenses have decreased from those of the comparative quarter including reductions in : travel costs due to varying levels of attendance at corporate conferences; share based payments due to the variation in vesting periods of options issued; shareholder information costs due to a reduction in marketing activities and variations to conferences attended and regulatory and legal fees due to the OTCQB listing application in the prior period. The loss for the quarter was offset by an unrealised gain recognised on the revaluation of the Prospector Metals shares held at the end of the quarter.

The Company's net loss of \$397,827 for the second quarter of fiscal 2023 is due mainly to continued management and administrative fees incurred of \$164,984 required to support the ongoing activities of the Company, including a bonus of C\$50,000 paid to E Roth during the period in recognition of having accepted a significantly reduced salary for the last 3 years and the efforts required in successfully expanding the Company's portfolio, as well as share based payments expense of \$64,102 which has increased from the prior period due to the issue of 4,400,000 options;. Travel costs have increased in the current quarter a COVID-19 travel restrictions were continued to be lifted allowing for more corporate travel which had been difficult in prior periods. Shareholder information costs of \$61,753 incurred as the company continued to promote its Scandinavian assets, and regulatory and transfer agent fees increased in the current quarter due to fees associated with the OTCQB listing and closing of the private placement in October 2022.

The Company's net loss of \$372,170 for the first quarter of fiscal 2023 is due mainly to general and administrative expenses incurred of \$228,512 (which includes management and administrative fees of \$100,820 and share based payments of \$64,808), as well as the realized loss of \$114,622 recorded on the sale of 689,500 Prospector shares.

## SEGMENT INFORMATION

The Company's business consists of only one reportable segment, mineral exploration and development. Details on a geographic basis are as follows:

	May 31, 2024	May 31, 2023
	\$	\$
Norway	677,533	4,158,394
Finland	953,620	1,602,502
Canada	-	498,103
	<b>1,631,153</b>	<b>6,258,999</b>

## LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2024 the Company had cash of \$61,409. The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company has incurred an accumulated deficit of \$25,616,331 at May 31, 2024 and has no current source of revenue. It is important to note the Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. In order to continue normal course of operations the Company is seeking additional equity funding, or alternative options, to fund ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding, or in securing alternative financing options.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity and the state of the financial markets. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record and the experience and caliber of its management.

The Company is currently evaluating all financing options at a Company and a project level in order to continue its normal course of operations. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate. If the Company is unable to obtain such financing options, it may be required to reduce the scope of its operations.

#### *Operating Activities*

During the twelve months ending May 31, 2024, the Company used \$471,875 (comparative twelve-month period – \$743,143) of cash to fund the ongoing operating activities of the Company. The cash used in operations reflects the loss for the period of \$5,746,150 (comparative twelve-month period loss: \$1,453,051 adjusted for the changes in working capital items such as accounts receivable and accounts payable and non-cash items. Non-cash items include loss of \$34,550 (2023: \$47,757) recognised on equity securities sold during the period, share based payments expense \$39,017, share of losses in investment in associate of \$49,119 (comparative twelve-month period - \$16,376), unrealized gain in investment held at period end of \$22,000, provision of impairment of \$4,043,693 recorded in the period, loss on sale of assets of \$615,091 and revaluation loss of \$17,022 on the contractual obligation payable at May 31, 2024, following the agreement with Unico for the Company to sell its interest in Sierra Blanca and use part proceeds to extinguish the obligation payable balance.

#### *Investing Activities*

During the twelve months ending May 31, 2024, the Company incurred a net cash outflow in investing expenditures of \$938,631 (comparative twelve-month period – \$853,123) due to expenditure incurred on exploration activities related to its Scandinavian projects of \$1,216,153 offset by the receipt of net proceeds of \$40,450 related to the sale of European Energy shares in the period, proceeds from the sale of projects of \$300,000 and proceeds from farm-out agreement of \$39,939. The Company also made payment of its second anniversary payment of US\$75,000 (C\$102,867) to Cullen Resources, in the prior period this payment was \$67,715. In the prior comparative period, the Company received \$307,681 as a result of sale of equity shares sold and receipt of \$150,000 as part of the earn-in agreement from Prospector Metals.

#### *Financing Activities*

The Company received gross proceeds of \$1,253,250 due to the closure of a private placement on November 10, 2023 for of 41,775,000 units at \$0.03 and paid fees related to the private placement of \$67,409. The Company also received promissory note proceeds from a non-executive director of \$205,078 during the period.

The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

## **COMMITMENTS AND CONTINGENCIES**

The Company has the following commitments and contingencies in relation to the revised acquisition terms for the Løkken and Kjølvi projects are as follows:

- Beginning September 1, 2023, Capella commits to completing at least 1,000m of drilling on each project per year until the earlier of: i) a minimum of 10,000m has been completed on such project ii) the date that Capella has delivered to EMX a relinquishment notice in respect of a project or iii) the date that the parties mutually agree that no further drilling is warranted.
- From the second anniversary of signing (September 1, 2022), Capella will be required to make advanced royalty payments to EMX of US\$25,000 per project, increasing US\$5,000/year up until reaching a maximum of US\$75,000/year per project.
- Capella to make additional payments of US\$500,000 to EMX upon:
  - The filing of a Preliminary Economic Assessment technical report
  - The filing of a National Instrument 43-101 ("NI-43101) compliant feasibility study
- EMX to retain a 2.5% NSR in the projects, with 0.5% being purchasable for US\$ 1million within 6 years

The Company has the following commitments and contingencies in relation to the acquisition on September 7, 2021 of the Katajavaara and Aakenus projects located in Finland:

- Capella will be required to invest a total of US\$250,000 in exploration expenditures on the two projects over a 24 month period from the Closing Date. Capella may then acquire a further 10% interest in Cullen Oy (for a total 80% interest) in return for a further US\$750,000 investment in the two projects over a 4.5-year period from the Closing Date.
- Cullen will then be free carried until the completion of a Pre-Feasibility Study (“PFS”) on either of the two projects. Thereafter, a standard dilution formula will apply and should party’s direct interest fall to below 10% then they will revert to a 2% Net Smelter Royalty (with 1% being purchasable for US\$1 million).

The Company has the following commitments in relation to its agreement signed on April 6, 2022 with Hessjøgruva AS for the acquisition of a 100% interest in the Hessjøgruva project:

- Capella managing and funding exploration / development activities on the project.
- Capella paying Hessjøgruva AS a one-time amount of Euro 500,000 upon completion of a positive Bankable Feasibility Study.
- Capella providing Hessjøgruva AS with a 2.5% NSR on all future metal production from the project, retaining an option to buy-back 0.5% of this NSR at any time prior to the commencement of commercial production for Euro 1,000,000.
- Capella to cover the cost of annual property payments and basic administration costs.

The Company has a 1% NSR commitment to elementX’s original shareholders on any potential future metal production from the acquired REE portfolio completed during the period ended November 30, 2022.

As part of the Teako agreement for the Lokken project (announced post year-end), Teako will assume payments of both the annual Lokken claim holding payments and the advanced royalty due to EMX starting September 30, 2024. Teako has also assumed the underlying NSR due to EMX upon the commencement of commercial production from the Lokken project.

Teako will also pay Capella a further CAD 1,250,000 upon a Final Investment Decision (“FID”) being made to proceed to the construction of a mine within the Løkken project.

## OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize any off-balance sheet arrangements.

## OUTSTANDING SHARE DATA

Outstanding share data as at May 31, 2024 is as follows:

	Price	Expiry date	Number of common shares
Common shares issued and outstanding			236,985,195
Securities convertible into common shares			
Options			
	\$0.10	February 18, 2025	4,000,000
Warrants			
	\$0.12	October 28, 2024	14,426,667
	\$0.06	November 9, 2025	23,604,167
<b>Fully Diluted</b>			<b>279,016,029</b>

On June 4, 2023, 1,815,000 options expired, on October 19, 2023 250,000 options expired and on November 6, 2023 4,980,000 options expired.

On September 3, 2023, a total of 62,558,260 warrants expired.

## **RISKS AND UNCERTAINTIES**

Capella has no history of profitable operations and is an exploration stage company. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and lack of revenues.

Uncertainty exists with regard to the ability of the Group to continue to operate as a going concern. Should the Group be unable to access further equity capital or execute any of other alternate funding arrangements, it will be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Management and the Directors continue to actively monitor the Group's liquidity. In order to continue to meet existing repayment obligations and fund general operating expenditure, the Company is seeking additional equity funding, or alternative options, to fund ongoing exploration activities and to meet its current and ongoing general and administrative costs.

Some of the Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

### **Exploration Stage Company**

The Company is engaged in the business of acquiring and exploring mineral properties to locate economic deposits of minerals. All of its properties are in the early stages of exploration and are without defined mineral bodies. Advancement of the Company's properties will only occur after obtaining satisfactory exploration results. There can be no assurance that the Company's existing or future exploration programs will result in the discovery of economically recoverable mineral deposits. Further, there can be no assurance that even if an economic deposit of minerals is located, it can be commercially mined.

### **No Source of Operating Revenue and the Ability to Raise Capital to Fund Operations**

At present, the Company's operations do not generate cash inflows, with the exception of its current farm out arrangements on its properties, and the Company's continued existence depends on management's ability to raise additional equity financing, discover recoverable mineral deposits and sell or otherwise participate in the development of those projects. Many factors influence the Company's ability to raise funds, including the health of the commodity resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management will need to raise equity capital in the short term in order to continue as a going concern, but recognizes there are risks involved that may be beyond

its control. If those risks fully materialize, the Company may not be able to raise adequate funds to continue its operations.

### **Political or economic instability in countries where the Company operates**

Certain of the Company's properties are located in countries which may be subject to political and economic instability, or unexpected legislative change which may delay or prevent exploration of properties or affect investor appetite for the Company's jurisdictions.

Exploration of the Company's properties could be adversely affected by:

- political instability and violence;
- war and civil disturbance;
- labour unrest or community relation issues;
- permitting issues
- expropriation or nationalization;
- changing fiscal regimes and uncertain regulatory environments;
- changes to royalty and tax regimes;
- underdeveloped industrial and economic infrastructure; and
- the unenforceability of contractual rights and judgments.

### **Competition**

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies in the search for and the acquisition of attractive mineral properties and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to advance its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or advancement. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects. In addition, there is a limited supply of good geological talent and drilling crews and equipment. There is no assurance that the Company will be able to acquire the supply of geological talent or drillers, executives or other employees or contractors that are required to complete exploration work in planned time frames.

### **Title to Property**

The Company has taken precautions to ensure that legal titles to its property interests are properly recorded. There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. In addition, some of the Company's properties are held in the names of others. Third parties may have valid claims underlying portions of the Company's interests and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate. In addition, the Company may fail, due to error, omission, or technological issues to renew its claims in a timely manner, potentially resulting in the loss of valuable claims to property.

### **Personnel**

Capella is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of Capella could result, and other persons would be required to manage and operate the Company.

### **Commodity Price Risk**

The market price of precious metals and other minerals is volatile and cannot be controlled.

## TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed below. Details of the transactions between the Company and other related parties are disclosed below.

### a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

		<b>May 31, 2024</b>	May 31, 2023
		\$	\$
Management fees	(i)	398,733	398,615
Share-based payments		18,533	107,270

(i) Consulting costs relate to ER Global (CEO) - \$198,000, Marketworks (Company Secretary) \$52,800, and Genco Professional Services (CFO) \$93,878 and non-executive director fees of \$54,055.

### b) Related party balances recorded in current liabilities

		<b>May 31, 2024</b>	May 31, 2023
		\$	\$
Glen Parsons- Non-executive director		47,733	20,405
Perihelion Inc – Mary Little - Non-executive director		261,849	20,405
Eric Roth - CEO		174,679	9,185
Genco Professional Services- S Cooper – CFO		78,011	8,709
Marketworks Inc. – Kathryn Witter Company Secretary		26,400	9,240

The Company also has a contractual obligation payable balance of \$176,891 to Sandstorm. This balance was extinguished subsequent to May 31, 2024.

On October 23, 2023, the Company received a cash injection of US\$150,000 by entering into a convertible promissory note with a non-executive director. The note and interest of 8% per annum, compounding quarterly, is repayable in cash or shares by October 13, 2024. Principal and interest is payable in quarterly instalments. Interest of \$9,513 has been recorded in the twelve months ending May 31, 2024.

Refer to *Liquidity and Capital Resources* section for further details.

### c) Compensation of key management personnel

The remuneration for the services of key management personnel during the period was as follows:

		<b>May 31, 2024</b>	May 31, 2023
		\$	\$
Salaries/Exploration/Consulting	(i)	398,733	398,615
Share based payments		18,533	107,270

(i) Key management were not paid post-employment benefits or other long-term benefits Key management were not paid post-employment benefits or other long-term benefits during the twelve months ended May 31, 2024, and May 31, 2023.

## FINANCIAL RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

### a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are predominantly denominated in US dollars, Swedish kroner, Norwegian kroner and Euro. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

May 31, 2024	Cash \$	Receivables \$	Accounts payable and accrued liabilities \$	Loan \$
US dollars	207	-	(122,609)	(214,123)
Swedish kroner	18,847	740	(8,515)	-
Euro	25,023	3,246	(47,728)	-
Australian dollars	-	-	(78,011)	-
Norwegian kroner	5,684	-	(292,616)	-
Great Britain pounds	870	-	-	-
Swiss francs	4,531	-	-	-

May 31, 2023	Cash \$	Receivables \$	Accounts payable and accrued liabilities \$	Loan \$
US dollars	836	-	86,934	-
Swedish kroner	561	23,006	37,650	-
Euro	23,288	6,383	6,847	-
Australian dollars	-	-	8,088	-
Norwegian kroner	8,930	-	640,597	-
Great Britain pounds	64	-	1,355	-
Swiss francs	-	-	-	-

At May 31, 2024 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by \$69,645 (2023: \$71,830).

### b) Interest rate and credit risk

Interest risk is the risk that the value of assets and liabilities will change when the related interest rates change. The Company is not currently exposed to interest rate risk. The Company's current financial assets and financial liabilities are not significantly exposed to interest rate risk because either they are of a short-term nature or because they are non-interest bearing. At May 31, 2024, the Company has a positive cash balance. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at May 31, 2024 and May 31, 2023, the Company did not hold any short-term investments or cash equivalents.



Receivables consist of goods and services tax and taxes due from the government of Canada and Sweden. Management believes that the credit risk concentration with respect to receivables is limited.

During the period the Company entered into a promissory note with a rate of 8% p.a being applied to the principal.

c) Liquidity Risk

Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. The Company cannot guarantee it will be successful in raising additional funding or securing alternative financing options.

Liquidity requirements and the raising of funds are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2024 the Company had cash of \$61,409 (May 31, 2023 - \$57,973) to settle current liabilities of \$1,495,493 (May 31, 2023 - \$1,141,503). Included in current liabilities are: \$133,369 being the current portion of deferred consideration payable to Cullen Resources, promissory note payable to related party of \$214,116 and the contractual obligation payable \$176,891, settled subsequent to the period with proceeds from the sale of Sierra Blanca on August 19, 2024. The Company has requested a VAT refund from the Norwegian tax authority to refund the last three years of VAT paid on exploration expenditures. The Company awaits the decision. Subsequent to the year end, the Company received proceeds from the sale of its interest in Sierra Blanca of \$350,000 and used this to settle priority debts. The Company continues to closely manage liquidity and relies on the financial support of its creditors and employees which enables the Group to defer payments which would otherwise be due and payable. The Company retains investment shares that can be liquidated to fund ongoing costs and debts.

d) Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

e) Equity price risk

The Company is exposed to equity price risk for equity investments at fair value through profit and loss. Equity price risk is the risk that the fair value of a financial instrument varies due to equity market changes. The Company's equity investments are exposed to equity price risk since their fair value is determined through the last closing share price on the relevant stock exchange. The Company has no specific strategy to manage the equity price risk.

At May 31, 2024 with other variables unchanged a +/- 10% change of the quoted equity investment value would result in a decrease/increase in pre-tax loss of \$48,875 (2023: \$7,500).

## **CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity/(deficiency) and loans.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There are no external requirements imposed on the Company regarding its capital management or changes to the Company's approach.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties.

## **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share-based payments, the valuation of other income on deferred premiums, the valuation of the contractual obligation payable, the valuation of amounts receivable from governments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are as follows:

*(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.*

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

*(ii) Valuation of share-based payments*

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

*(iii) Income taxes*

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

*(iv) Non-cash transactions*

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the

consideration given up using market prices.

(v) *Functional currency*

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its incorporated entities Capella Minerals Sweden AB and Capella Minerals Norway AS is the Swedish kroner and Norwegian Kroner respectively. The functional currency of its recently acquired subsidiary Cullen Finland Oy and elementX Finland Oy has been determined to be the Euro. The functional currency of its other entities, including the parent is the Canadian dollar.

## ACCOUNTING STANDARDS

### Principles of Consolidation

The Company's financial statements have been prepared in accordance with IFRS and include the accounts of the Company and its controlled entities as follows:

<b>Entity</b>	<b>Country of Incorporation</b>	<b>Functional Currency</b>
NDR Guernsey Limited	Guernsey	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	Canadian dollar
Capella Minerals Sweden AB	Sweden	Swedish kroner
Capella Minerals Norway AS	Norway	Norwegian kroner
Cullen Finland Oy	Finland	Euro
Eurolithium Oy	Finland	Euro

The Company's financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

### APPROVAL

The Board of Directors of Capella has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### ADDITIONAL INFORMATION

Additional information relating to Capella is on SEDAR at [www.sedar.com](http://www.sedar.com).

### FORWARD LOOKING INFORMATION

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's ability to raise sufficient capital, future operations, future exploration and development activities or other development plans contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance,

business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, COVID 19 pandemic, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies, relative to the US dollar, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks, and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on our behalf, except as required by law.