CAPELLA MINERALS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2024

(Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of Capella Minerals Limited. Capella Minerals Limited independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

Capella Minerals Limited

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars
As at

	Note	**August 31, 2024**	May 31, 2024
		$	$
ASSETS			
Current			
Cash		**296,890**	61,409
Prepaid expenses		**26,517**	40,880
Asset held for sale	10	**-**	47,449
Receivables	3	**13,632**	9,064
		337,039	**158,802**
Non-current			
Equipment	17	**552**	776
Exploration and evaluation assets	6	**1,210,816**	1,631,153
Investment	5	**697,556**	449,150
		1,908,924	**2,081,079**
TOTAL ASSETS		**2,245,963**	**2,239,881**
LIABILITIES			
Current			
Accounts payable, accrued & other liabilities	4	**1,124,216**	971,117
Contractual obligation payable	7	**-**	176,891
Deferred consideration payable	8	**136,309**	133,369
Convertible promissory note	9	**216,906**	214,116
		1,477,431	**1,495,493**
TOTAL LIABILITIES		**1,477,431**	**1,495,493**
EQUITY			
Share capital	11	**23,776,512**	23,776,512
Reserves – warrants	11	**495,697**	495,697
Reserves – options	11	**2,062,684**	2,062,684
Reserves – foreign currency translation		**(38,331)**	(77,416)
Accumulated deficit		**(25,631,316)**	(25,616,331)
Non-controlling interests		**103,286**	103,242
		768,532	**744,388**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,245,963**	**2,239,381**

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APPROVED ON

BEHALF OF THE BOARD ON OCTOBER 29, 2024:

Eric Roth — Director

Glen Parsons — Director

- See accompanying notes to the condensed interim consolidated financial statements -

Capella Minerals Limited

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars
For the three months ended

	Note	**August 31, 2024** **$**	August 31, 2023 $
General and administrative expenses			
Management and administrative fees		114,590	135,660
Office and general		8,781	5,007
Regulatory and transfer agent fees		8,081	9,075
Shareholder information and meetings		6,720	8,910
Professional fees		5,515	-
Travel		2,883	6,048
Share-based payments		-	13,148
		(146,570)	(177,848)
Write off of deferred exploration and evaluation costs and other	6	(85,964)	(22,686)
Unrealized income/(loss) on financial assets	5	(48,841)	(26,750)
Loss on disposal of assets	6	(36,775)	-
Deferred consideration payable interest	8	(2,791)	(2,735)
Interest	9	(2,727)	-
Foreign exchange gain/(loss)		(1,129)	583
Loss on sale of financial assets		-	(2,450)
Share of losses- investment in associate		-	(3,200)
Contractual obligation payable interest		-	(40)
Other	7	(3,480)	(1,304)
Gain on disposal of assets	10	313,292	-
Loss for the year		**(14,985)**	**(236,430)**
Other comprehensive loss			
Foreign currency translation		39,085	63,309
Comprehensive gain/(loss) for the year		**24,100**	**(173,121)**
Attributable to:			
Owners of the company		24,056	(169,013)
Non-controlling interests		44	(4,108)
		24,100	**(173,121)**
Loss per share – basic and diluted		**0.0**	**0.0**
Weighted average number of shares outstanding		**236,985,195**	**195,210,195**

See accompanying notes to the condensed interim consolidated financial statements -

Capella Minerals Limited
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

For the three months ended

	Note	**August 31, 2024 $**	August 31, 2023 $
Cash provided by (used in):			
Operating activities			
Loss for the year		**(14,985)**	(236,430)
Items not affecting cash:			
Gain on disposal of asset		**(313,292)**	-
Loss on disposal of asset		**36,775**	-
Write off deferred exploration and evaluation costs		**85,964**	-
Unrealized movement on financial asset		**48,841**	26,750
Deferred consideration payable interest		**2,791**	2,735
Interest		**2,727**	-
Foreign exchange		**1,129**	(583)
Other		**3,480**	-
Realised loss on sale of financial assets		**-**	2,450
Share-based payments		**-**	13,148
Share of losses in investment in associate		**-**	3,200
Contractual obligation payable interest		**-**	40
Changes in non-cash working capital	14	**141,639**	79,910
		(4,931)	**(108,780)**
Investing activities			
Proceeds from disposal of asset	6	**350,000**	-
Exploration and evaluation costs		**(98,046)**	(274,468)
Net proceeds from sale of financial assets		**-**	7,000
		251,954	**(267,468)**
Financing activities			
Proceeds from issue of shares/deferred equity		-	421,200
Short term payable proceeds		-	17,284
		-	**438,484**
Change in cash		247,023	62,236
Effect of fluctuations in exchange rates on cash		(11,542)	(44,842)
Cash – beginning of year		61,409	57,973
Cash – end of year		**296,890**	**75,367**

Refer to Note 14 for supplemental cash flow information

- See accompanying notes to the condensed interim consolidated financial statements -

Capella Minerals Limited
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the Three Months Ended August 31, 2024
Expressed in Canadian Dollars

	Share capital (Number of Shares)	Share capital (Amount) $	Reserves – Warrants $	Reserves – Options $	Reserves- Foreign Currency Translation $	Deferred Equity $	Accumulated Deficit $	Non-controlling interests $	Total $
May 31, 2023	**195,210,195**	**22,643,814**	**442,554**	**2,023,667**	**(186,396)**	-	**(19,870,181)**	**126,075**	**5,179,533**
Loss for the year	-	-	-	-	-	-	(236,430)	-	(236,430)
Share-based payments	-	-	-	13,148	-	-	-	-	13,148
Shares to be issued	-	-	-	-	-	421,200	-	-	421,200
Foreign currency translation	-	-	-	-	63,309	-	-	-	63,309
Movement in non-controlling interest	-	-	-	-	-	-	-	(4,108)	(4,108)
August 31,2023	**195,210,195**	**22,643,814**	**442,554**	**2,036,815**	**(123,087)**	**421.200**	**(20,106,611)**	**121,967**	**5,436,652**
Loss for the year	-	-	-	-	-		(5,509,720)	-	(5,509,720)
Share-based payments	-	-	-	25,869	-		-	-	25,869
Issue of shares	41,775,000	1,253,250	-	-	-	(421,200)	-	-	832,050
Share issue costs	-	(120,552)	53,143	-	-		-	-	(67,409)
Foreign currency translation	-	-	-	-	45,671		-	-	45,671
Movement in non-controlling interest	-	-	-	-	-		-	(18,725)	(18,725)
May 31, 2024	**236,985,195**	**23,776,512**	**495,697**	**2,062,684**	**(77,416)**	-	**(25,616,331)**	**103,242**	**744,388**
Loss for the year	-	-	-	-		-	(14,985)	-	(14,985)
Foreign currency translation	-	-	-	-	39,085	-	-	-	39,085
Movement in non-controlling interest	-	-	-	-	-	-	-	44	44
August 31, 2024	**236,985,195**	**23,776,512**	**495,697**	**2,062,684**	**(38,331)**	-	**(25,631,316)**	**103,286**	**768,532**

- See accompanying notes to the condensed interim consolidated financial statements –

1. Nature of Operations and Going Concern

Capella Minerals Limited (the "Company" or "Capella") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate office and registered address and records office being located at 8681 Clay Street, Mission, British Columbia.

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

These condensed interim consolidated financial statements for the three months ended August 31, 2024 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 $25,631,316 at August 31, 2024 and has no current source of revenue. 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 and exploration expenditure. The Company has sought to conserve cash by reducing corporate activities where possible and to manage and repay existing trade creditors and employment payables where possible.

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.

There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of Presentation

These condensed interim consolidated financial statements for the three months ended August 31, 2024, and August 31, 2023 ("interim financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS") and should be read in conjunction with the Company's annual financial statements for the year ended May 31, 2024, which were prepared in in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Historical cost

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. These financial statements have been prepared using the accrual method for cash flow transactions.

Approval

These interim consolidated financial statements of the Company and its subsidiaries for the three months ended August 31, 2024, were approved and authorized for issue by the Board of Directors on October 29, 2024.

2. Basis of Presentation- continued

Principles of Consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its controlled entities as follows:

Entity	Country of Incorporation	Ownership	Functional Currency
NDR Guernsey Limited	Guernsey	100%	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	100%	Canadian dollar
Capella Minerals Sweden AB	Sweden	100%	Swedish kroner
Capella Minerals Norway AS	Norway	100%	Norwegian kroner
Cullen Finland Oy	Finland	70%	Euro
Eurolithium Oy	Finland	100%	Euro

Significant Accounting Estimates and Judgments

The preparation of the condensed interim consolidated 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 and judgements as the basis for determining the stated amounts include the valuation of exploration and evaluation assets, the valuation of share-based payments, the valuation of the contractual obligation payable, non-cash transaction and functional currency.

Significant estimates and critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated 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 determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options and warrants. 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) 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 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.

(iv)Functional currency

The Company has evaluated the economic environment in which 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 Cullen Finland Oy and Eurolithium Oy has been determined to be the Euro. The functional currency of its other entities, including the parent is the Canadian dollar.

2. Basis of Presentation- continued

New and amended accounting standards and interpretation adopted by the Company

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

IFRS 18 *Presentation and Disclosure in Financial Statements*
IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.

IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The amendments are not expected to have a material impact on the Company's financial statements.

Expressed in Canadian Dollars

3. Receivables

	August 31, 2024	May 31, 2024
	$	$
HST/GST receivable	13,602	9,033
Other receivables	30	31
	13,632	**9,064**

4. Accounts payable, accrued & other liabilities

	August 31, 2024	May 31, 2024
	$	$
Accounts payable	657,137	528,521
Accrued liabilities	466,989	442,596
Other		-
	1,124,216	**971,117**

5. Financial Instruments

Categories of financial instruments

	August 31, 2024	May 31, 2024
	$	$
Financial assets		
Fair value through profit or loss (“FVTPL”)		
Investments	697,556	449,150
Amortized Cost		
Cash	296,890	61,409
Receivables	13,632	9,064
	1,008,078	**519,623**
Financial liabilities		
Amortized cost		
Accounts payable, accrued & other liabilities	1,124,216	971,117
Contractual obligation payable	-	176,891
Deferred consideration payable	136,309	133,369
Convertible promissory note	216,906	214,116
	1,477,431	**1,495,493**

As at August 31, 2024, the Company has 1,000,000 Prospector Metals Corp Prospector (“Prospector”) shares valued at $120,000 included in investments and recognized an unrealized loss of $80,000 on its shareholding during the three months ending August 31, 2024.

As at August 31, 2024, the Company has 1,250,000 European Energy (“European Energy”) shares valued at $189,576 included in investments including a unrealized gain of $10,426 in the three months ending August 31, 2024. The European Energy shares held are subject to three staged hold periods which are removed starting September 18, 2024. The Company has recognized a discount on the shares held for lack of marketability due to the staged hold periods. The discount for lack of marketability is based on a Black-Scholes model for each of the three staged hold periods and will be removed as the hold periods are removed

During the three months ended August 31, 2024, the Company received 2,500,000 common shares (in addition to the 1,000,000 shares held at May 31, 2024) of Teako Minerals Corp (CSE: TMIN)(“Teako”) valued at $137,500 in relation to the Company’s sale of its 90 % interest in the Lokken, Norway project. Refer to Note 6. The Teako shares are subject to three staged hold periods which are removed starting December 29, 2024. The Company recognized a discount of $20,625 on the shares held for lack of marketability due to the staged hold periods. The discount for lack of marketability is based on a Black-Scholes model for each of the three staged hold periods and will be removed as the hold periods are removed. The Company recognized an unrealized gain of $20,000 on its Teako shareholding during the three months ending August 31, 2024.

5. Financial Instruments (continued)

During the three months ending August 31, 2024 the Company received 2,265,000 Unico Silver Ltd. ("Unico") shares as a result of its sale of its interest in Sierra Blanca and immediately transferred 1,132,750 shares to Sandstorm Gold Limited ("SSL) in repayment of the balance owing on the contractual obligation . (Refer to Note 7 & 10 for further details). The Company recognized an unrealized gain of $733 on its remaining Unico shareholding for the three months ending August 31, 2024.

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:
Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	August 31, 2024	May 31, 2024
	$	$
Financial Assets		
Level 1		
Quoted shares	697,556	449,150

The carrying value of cash, receivables, and accounts payable, accrued and other liabilities, deferred consideration, contractual obligation payable and convertible promissory note approximate their fair value due to their short-term maturity.

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:

August 31, 2024	**Cash**	**Receivables**	**Accounts payable and accrued liabilities**	**Promissory Note**
	$	**$**	**$**	**$**
US dollars	180		(122,609)	(216,906)
Swedish kroner	15,599	740	(9,329)	-
Euro	69,615	3,246	(47,728)	-
Australian dollars	-	-	(78,011)	-
Norwegian kroner	476	-	(220,816)	-
Great Britain pounds	887	-	-	-

Expressed in Canadian Dollars

5. Financial Instruments (continued)

May 31, 2024	Cash	Receivables	Accounts payable and accrued liabilities	Promissory Note
	$	$	$	$
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	-	-	-

At August 31, 2024 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by $59,966 (2024: $72,687).

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, fixed interest rate or because they are non-interest bearing. 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 August 31, 2024 and August 31, 2023 the Company did not hold any short-term investments or cash equivalents.

Receivables primarily consist of goods and services tax and taxes due from the governments of Canada, Finland and Norway. Management believes that the credit risk concentration with respect to receivables is limited.

During the year the Company entered into a convertible promissory note with a rate of 8% p.a. being applied to the principal. Refer to Note 9.

c) Liquidity risk

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 August 31, 2024 the Company had cash of $296,890 (May 31, 2024 - $61,409) to settle current liabilities of $1,477,431 (May 31, 2024 - $1,495,493), $136,309 being the current portion of deferred consideration payable to Cullen Resources and a promissory note payable to related party of $216,906

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 August 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 $75,360 (2024: $3,450).

Expressed in Canadian Dollars

6. Exploration and Evaluation Assets

	Løkken, Norway	Kjøli, Norway	Hessjogruva, Norway	Vaddas-Birtavarre, Norway	Aakenus, Finland	Katajavaara, Finland	Pehro, Finland	Euro-lithium, Finland	Savant Lake, Ontario Canada	Total
	$	$	$	$	$	$	$	$	$	$
Balance May 31, 2023	**1,755,847**	**2,248,370**	**66,890**	**87,287**	**529,242**	**256,469**	**8,085**	**808,706**	**498,103**	**6,258,999**
Acquisition and tenure	-	129	4,819	-	57,243	-	-	-	-	62,191
Camp, travel, administration and other costs	6,849	8,232	1,608	-	846	846	1,693	-	-	20,074
Geologists and data collection	34,646	41,818	6,890	-	9,174	3,445	10,941	-	-	106,914
Foreign exchange movement	40,511	84,170	2,796	4,371	(30,424)	-	(806)	4,366	-	104,984
Balance August 31, 2023	**1,837,853**	**2,382,719**	**83,003**	**91,658**	**566,081**	**260,760**	**19,913**	**813,072**	**498,103**	**6,553,162**
Acquisition and tenure	30,000	30,000	26,026	22,959	31,016	-	-	-	-	140,001
Camp, travel, administration and other costs	28,371	23,819	758	-	7,163	17,684	144	-	-	77,939
Geologists and data collection	94,689	109,808	11,407	-	34,217	31,315	28,191	-	-	309,627
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	8,583	3,825	789	(433)	5,613	(229)	(1,020)	821	-	17,949
Balance May 31, 2024	**555,550**	**-**	**121.983**	**-**	**644,090**	**309,530**	**-**	**-**	**-**	**1,631,153**
Acquisition and tenure	38,000	-	4,798	-	-	-	-	-	-	42,798
Geologists and data collection	43,755	-	-	-	44,952	-	-	-	-	88,707
Sale of project	(503,650)	-	-	-	-	-	-	-	-	(503,650)
Provision for impairment /write down of exploration costs	(85,964)	-	-	-	-	-	-	-	-	(85,964)
Foreign exchange movement	4,209	-	(1,618)	-	34,847	334	-	-	-	37,772
Balance August 31, 2024	**51,900**		**125,163**	**-**	**723,889**	**309,864**	**-**	**-**	**-**	**1,210,816**

6. Exploration and Evaluation Assets (continued)

SCANDINAVIAN PROJECTS

Capella-Cullen Joint Venture (Finland)

Northern Finland Gold-Copper (formerly Aakenus-Katajavaara Copper-Gold Project) (Capella Initial 70% interest)
On August 24, 2021, the Company signed a binding letter of intent with Cullen Resources Ltd. ("Cullen") whereby Capella may earn-in to Cullen's Katajavaara and Aakenus gold-copper projects in the Central Lapland Greenstone Belt of northern Finland. The holder of the licences is local subsidiary Cullen Finland Oy.

Terms of the agreement are:

- Capella acquired an initial 70% interest in Cullen Finland Oy (Cullen's 100%-owned Finnish subsidiary and registered owner of the Katajavaara and Aakenus gold-copper projects) in return for paying Cullen AUD 50,000 upon the transaction receiving TSX.V Exchange and regulatory approval (the "Closing Date").
- Capella will be required to invest a total of USD 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 USD 750,000 investment in the two projects over a 4.5-year period from the Closing Date.
- Cullen will then be free carried at 20% until the completion of a Pre-Feasibility Study ("PFS") on either of the two projects. Thereafter, a standard dilution formula will apply, and should a party's direct interest fall to below 10% then they will revert to a 2% Net Smelter Royalty ("NSR") (with 1% being purchasable for USD 1 million).

In addition, the following cash payments are required to be made to Cullen:

- USD 50,000 upon the first anniversary of the Closing Date (paid)
- USD 75,000 upon the second anniversary of the Closing Date (paid)
- USD 100,000 on the third anniversary of the Closing Date (pending)

The Company accounted for the agreement as an asset acquisition of the Katajavaara and Aakenus exploration projects and allocated the purchase price, less cash acquired, evenly across each of the projects.

100% Capella (Norway)

Hessjøgruva, Norway
On April 6, 2022, the Company entered into an Exploration and Exploitation Agreement with Hessjøgruva AS for the acquisition of a 100% interest in the Hessjøgruva copper-zinc-cobalt ("Cu-Zn-Co") project in central Norway.
Capella may acquire a 100% interest in the Hessjøgruva Cu-Zn-Co project in return for:

(i) Capella managing and funding exploration / development activities on the project.
(ii) Capella paying Hessjøgruva AS a one-time amount of Euro 500,000 upon completion of a positive Bankable Feasibility Study.
(iii) 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.
(iv) Capella to cover the cost of annual property payments and basic administration costs.

Capella is accounting for this as a farm in arrangement. Refer to Note 3 for further details.

Norway Copper-Cobalt Projects

Løkken and Kjøli, Norway (100% Capella)
The Løkken and Kjøli copper-cobalt projects are located in north-central Norway. These projects were acquired from EMX Royalty Corp (TSXV: EMX)("EMX") in 2020, and are subject to a 2.5% Net Smelter Royalty ("NSR") of which 0.5% may be acquired for US$ 1M.

Expressed in Canadian Dollars

6. Exploration and Evaluation Assets (continued)

On August 19, 2024 the Company 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, 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 acquired a 90% interest in the Løkken project include:
i) Capella received $C350,000 in cash and 2,500,000 common Teako shares
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 C$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.

Details of the loss on disposal are detailed below:

	$
Consideration consists of:	
Cash	350,000
2,500,000 Teako shares @$0.055	137,500
Less discount for restricted trading	(20,625)
Total consideration (90%)	466,875
Less carrying value (90%)	(503,650)
Loss on disposal	**(36,775)**

The Company will retain a 10% interest in the project.

As part of a rationalization of projects, the Company recorded a provision of impairment against its Kjøli project of $2,552,519 in the year ending May 31, 2024.

Other
During the three months ending Augst 31, 2024 the Company expensed $85,964 in exploration costs in Norway.

CANADIAN PROJECTS

The Domain Project consists of three mineral claims in northern Manitoba. The Company currently holds a 29.56% interest in the property, with the remaining interest held by Agnico Eagle Mines Ltd. Capitalized costs related to the property were written off during the year ended May 31, 2013.

Expressed in Canadian Dollars

7. Contractual Obligation Payable

The Company had a contractual obligation payable in relation to its acquisition on May 14, 2018 of its interests in the Sierra Blanca gold-silver projects in Santa Cruz province, Argentina.

	August 31, 2024	May 31, 2024
	$	$
Current	-	176,891
Non-current	-	-
	-	**176,891**

On May 21, 2024 the Company reached an agreement whereby Unico Silver Ltd. ("Unico") acquired 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. As a result of this agreement, the Company transferred 50% of the sale proceeds to 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. Refer Note 10 for further details.

Reconciliation of movements are as follows:

	August 31, 2024	May 31, 2024
	$	$
Opening balance	176,891	159,712
Repayment	(180,371)	-
Interest	-	157
Revaluation	3,480	17,022
Closing balance	**-**	**176,891**

8. Deferred Consideration Payable

The Company has recognised a deferred consideration payable of $136,309 in relation to its acquisition from Cullen of its interest in the Katajavaara and Aakenus gold(-copper) projects.

	August 31, 2024	May 31, 2024
	$	$
Current	136,309	133,369
Non-current	-	-
	136,309	**133,369**

As part of the acquisition of the Finnish exploration assets the Company is required to make the following cash payments to Cullen:

- USD 50,000 upon the first anniversary of the Closing Date ($67,715 paid in the year ended May 31, 2023)
- USD 75,000 upon the second anniversary of the Closing Date ($102,867 paid in year ended May 31, 2024)
- USD 100,000 on the third anniversary of the Closing Date

The Company recognised the net present value of the deferred consideration payable of $223,064 at the date of acquisition using an interest rate of 6%.

Reconciliation of movements are as follows:

	August 31 2024	May 31, 2024
	$	$
Opening balance	**133,369**	223,064
Interest	2,791	11,004
Anniversary payment	-	(102,867)
Foreign exchange movements	149	2,168
Closing balance	**136,309**	**133,369**

9. Convertible Promissory Note

	August 31, 2024	May 31, 2024
	$	$
Current	216,906	214,116
Non-current	-	-

On October 13, 2023 the Company entered into a convertible promissory note with a non-executive director for US$150,000 (C$205,078). Interest shall accrue on the unpaid principal amount of this Note at the rate of 8% per annum, payable in quarterly installments on January 13, 2024, April 13, 2024, July 13, 2024, and at the Maturity Date being October 13, 2024, with the exception that the Company shall have the option to satisfy one quarterly payment of interest by the issuance of common shares. The promissory note holder has agreed to extend the maturity date to December 30, 2024. As the convertible debenture is denominated in USD and is convertible into a variable number of the Company's common shares which are listed in Canadian dollars, the instrument contains an embedded derivative liability. The fair value of the derivative liability is estimated as an immaterial amount and is included in convertible promissory note liability as at August 31, 2024.

An amount of $2,727 was recorded as interest expense on the promissory note during the three months ending August 31, 2024.

Reconciliation of movements are as follows:

	August 31, 2024	May 31, 2024
	$	$
Opening balance	214,116	
Loan proceeds	-	205,078
Interest	2,727	9,513
Foreign exchange movements	63	(475)
Closing balance	**216,906**	**214,116**

10. Asset held for sale

The Company had a 49% interest in Sierra Blanca SA ("Sierra Blanca"), a gold-silver project located in Santa Cruz province, Argentina. Sierra Blanca is a private entity not listed on any public exchange. The Company had been recording its interest using the equity method in the consolidated financial statements. On May 21, 2024, the Company reached an agreement whereby Unico would 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. As a result, the Company recognised its interest in Sierra Blanca as an asset held for sale, measured at the lower of its carrying value and fair value less costs to sell, at May 31, 2024. On July 24, 2024 the Company completed the sale of its interest in Sierra Blanca with the receipt of 2,265,000 Unico shares.

As a result of this sale agreement with Unico, the Company agreed to transfer 50% of the sale proceeds (1,132,750 Unico share) to SSL in extinguishment of the remaining contractual obligation payable balance. The liability was extinguished on July 24, 2024 with the receipt and subsequent transfer of the Unico shares. Refer to Note 5 &7 for further details.

Details of the gain on disposal are detailed below:

	$
Consideration consists of:	
2,650,000 Unico shares @ $0.16	360,741
Total consideration (90%)	360,741
Less carrying value (90%)	(47,449)
Gain on disposal	**313,292**

Expressed in Canadian Dollars

11. Share Capital and Reserves

(i) Authorized share capital
Unlimited common shares without par value.

Share issuances

a) On October 31, 2022, the Company issued an aggregate 26,893,333 units at a price of $0.06 per unit for gross proceeds of $1,613,600. Each unit issued consists of one common share and one-half of a share purchase warrant, each whole warrant entitling the holder to acquire an additional common share for $0.12 per share until expiry on October 28, 2024. The warrants are also subject to an accelerated exercise clause in the event the Company's share price exceeds C$0.25 for 10 consecutive trading days. The Company has paid finder's fees of an aggregate $79,815 and issued an aggregate 980,000 share purchase warrants exercisable at $0.12 until October 28, 2024 for a value of $22,852.

b) On October 31, 2022, the Company issued 15,100,000 common shares at a price of $0.06 for the 100% acquisition of the Finnish company elementX. Refer to Note 7 for further details.

c) On January 6, 2023, the Company issued 2,079,000 common shares at a price of $0.06 to EMX Royalty Corp as required under the option and purchase agreement signed in April 2021.

On November 9, 2023, the Company completed a private placement consisting of 41,775,000 units at $0.03 per unit for gross proceeds of $1,253,250. 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 $0.06 per share at any time until expiry, November 9, 2025. The Company paid finders fees of $67,409 in cash and issued a total 2,716,667 finders' warrants under the same terms and conditions as the unit warrants. 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 $0.15 for 10 consecutive trading days.

(ii) Stock options

Under the terms of the Company's stock option plan, the maximum number of shares in respect of which options may be outstanding is equivalent to 10% of the issued and outstanding shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or if the optionee is a consultant.

The vesting periods of options outstanding range from immediately to one year and maximum terms of options are set at 5 years from the grant date. All options have fully vested at August 31, 2024

a) Movements in stock options during the year:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2023	**11,045,000**	**$0.13**
Expired/cancelled/forfeited	(1,815,000)	$0.25
Balance August 31, 2023	**9,230,000**	**$0.11**
Expired/cancelled/forfeited	(5,230,000)	$0.15
Balance May 31, 2024	**4,000,000**	**$0.10**
Balance August 31, 2024	**4,000,000**	**$0.10**

b) Fair value of options granted

On February 18, 2022, the Company granted an aggregate of 4,400,000 incentive stock options.

Expressed in Canadian Dollars

11. Share Capital and Reserves (continued)

The fair value of these options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.57%
Expected dividend yield	nil
Expected stock price volatility	176.29%
Expected life	3
Expected forfeiture rate	nil

c) Stock options outstanding

Options Outstanding	**Options Exercisable**	**Price per Share**	**Remaining contractual life (years)**	**Expiry date**
4,000,000	4,000,000	$ 0.10	0.47	February 18, 2025
4,000,000	**4,000,000**			

The weighted average exercise price of the options exercisable at August 31, 2024 is $0.10 (2024 - $0.10).

(iii) Share purchase warrants
a) Movements in warrants during the year:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, May 31, 2023	**76,984,927**	**$0.12**
Balance, August 31, 2023	**76,984,927**	**$0.12**
Expired	(62,558,260)	$0.12
Issued	23,604,167	$0.06
Balance, May 31 2024	**38,030,834**	**$0.08**
Balance, August 31 2024	**38,030,834**	**$0.08**

b) Fair value of finders' warrants issued

On November 9, 2023, the Company issued 2,716,667 finders' warrants with a fair value of $53,143. The fair value of these finders' warrants granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	4.57%
Expected dividend yield	nil
Expected stock price volatility	158%
Expected life	2
Expected forfeiture rate	nil

Expressed in Canadian Dollars

12. Related Party Transactions

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.

	August 31 2024	**August 31, 2023**
	$	**$**
Management fees	75,280	99,467
Share-based payments	-	6,246

b) Related party balances recorded in current liabilities

	August 31 2024	May 31, 2024
	$	$
Glen Parsons- Non-executive director	53,964	47,733
Perihelion Inc – Mary Little - Non-executive director	270,870	261,849
Eric Roth - CEO	202,351	174,679
Genco Professional Services- S Cooper – CFO	101,411	78,011
Marketworks Inc. – Kathryn Witter Company Secretary	39,600	26,400

c) Compensation of key management personnel (which includes officers and directors)

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

		August 31 2024	**August 31, 2023**
		$	**$**
Salaries/Exploration/Consulting	(i)	75,280	99,467
Share based payments		-	6,246

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

d) Other

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

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:

- On October 13, 2023, the Company entered into a convertible promissory note with a non-executive director for US$150,000 (C$205,078 receipted). Interest shall accrue on the unpaid principal amount of this Note at the rate of 8% per annum, payable in quarterly installments on January 13, 2024, April 13, 2024, July 13, 2024, and at the Maturity Date being October 13, 2024, with the exception that the Company shall have the option to satisfy one quarterly payment of interest by the issuance of common shares. The promissory note holder has agreed to extend the maturity date to December 30, 2024. Interest of $2,727 has been recorded in the three months ended August 31, 2024.

Expressed in Canadian Dollars

13. Segmented Information

The Company's business consists of one reportable segment – the acquisition, exploration and evaluation of mineral properties. Details on a geographic basis are as follows:

	August 31, 2024	May 31, 2024
	$	**$**
Total non-current long-lived assets		
Norway	177,063	677,533
Finland	1,033,753	953,620
	1,210,816	**1,631,153**

14. Supplemental Cash Flow Information

	August 31, 2024	**August 31, 2023**
	$	$
Changes in non-cash working capital		
Movement in receivables	(4,568)	4,381
Movement in prepaid expenses	14,363	(1,712)
Movement in accounts payable and accrued liabilities	131,844	77,241
	141,639	**79,910**

	August 31, 2024	**August 31, 2023**
	$	**$**
Schedule of non-cash investing and financing transactions:		
Exploration and evaluation expenditures included in accounts payable	365,693	741,577
Provision against/write off deferred exploration and evaluation costs	85,964	-
Investment in associate - share of losses	-	3,200
Interest	2,727	-
Deferred consideration payable interest	2,791	2,735
Shares received – Teako minerals	180,371	-
Shares received – Unico	116,875	-
Contractual obligation interest payable	-	40
Realized revaluation movement of financial asset	-	2,450
Unrealised movement of financial assets	48,841	26,750

	August 31, 2024	**August 31, 2023**
	$	**$**
Supplementary disclosure of cash flow information:		-
Cash paid for interest	-	-
Cash paid for income taxes	-	-

15. 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 exploration and evaluation 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.

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 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 expects to require additional financings to carry out its exploration and evaluation plans and operations through its current operating period.

16. Commitments and Contingencies

As part of the Teako agreement for the Lokken project 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.

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

Terms of the agreement are:

- Capella will be required to invest a total of USD 250,000 in exploration expenditures on the two projects over a 24 month period from the date of Closing Date being the date TSXV approval was obtained. Capella may then acquire a further 10% interest in Cullen Oy (for a total 80% interest) in return for a further USD 750,000 investment in the two projects over a 4.5-year period from the Closing Date.
- Cullen will then be free carried at 20% until the completion of a Pre-Feasibility Study ("PFS") on either of the two projects. Thereafter, a standard dilution formula will apply and should a **party's** direct interest fall to below 10% then they will revert to a 2% Net Smelter Royalty ("NSR") (with 1% being purchasable for USD 1 million).

In addition, the following cash payments are required to be made to Cullen:

- USD 75,000 upon the second anniversary of the Closing Date (September 2023)(deferred to November 2023)
- USD 100,000 on the third anniversary of the Closing Date

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:

(i) Capella managing and funding exploration / development activities on the project.
(ii) Capella paying Hessjøgruva AS a one-time amount of Euro 500,000 upon completion of a positive Bankable Feasibility Study.
(iii) 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.
(iv) 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 year ended May 31, 2023.

Expressed in Canadian Dollars

17. Equipment

	Office equipment	Accumulated depreciation	TOTAL
	$	$	$
May 31, 2023	**2,311**	**(792)**	**1,519**
Depreciation	-	(826)	(826)
Foreign exchange movements	159	(76)	83
Foreign exchange movements	(308)	89	(219)
May 31, 2024	**2,470**	**(1,694)**	**776**
Depreciation	**-**	(208)	(208)
Foreign exchange movements	(53)	37	(16)
August 31, 2024	**2,417**	**(1,865)**	**552**

18. Subsequent events

On September 23, 2024, the Company sold 1,000,000 Prospector shares for gross proceeds of $115,000.
On September 25, 2024 the Company sold 1,132,750 number of Unico shares for gross proceeds of $207,112.