

# **CAPELLA MINERALS LIMITED**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**NOVEMBER 30, 2024**

**(Unaudited)**  
**(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

Unaudited

Expressed in Canadian Dollars

As at

|   | Note | November 30, 2024<br>\$ | May 31, 2024<br>\$ |
|---|------|-------------------------|--------------------|
| <b>ASSETS</b>   |      |                         |                    |
| <b>Current</b>  |      |                         |                    |
| Cash  |      | 63,097                  | 61,409             |
| Prepaid expenses  |      | 23,154                  | 40,880             |
| Asset held for sale   |      | -                       | 47,449             |
| Receivables   | 3    | 16,037                  | 9,064              |
|   |      | <b>102,288</b>          | <b>158,802</b>     |
| <b>Non-current</b>  |      |                         |                    |
| Equipment   | 17   | 344                     | 776                |
| Exploration and evaluation assets   | 6    | 1,305,768               | 1,631,153          |
| Investment  | 5    | 313,677                 | 449,150            |
|   |      | <b>1,619,789</b>        | <b>2,081,079</b>   |
| <b>TOTAL ASSETS</b>   |      | <b>1,722,077</b>        | <b>2,239,881</b>   |
| <b>LIABILITIES</b>  |      |                         |                    |
| <b>Current</b>  |      |                         |                    |
| Accounts payable, accrued & other liabilities   | 4    | 865,419                 | 971,117            |
| Contractual obligation payable  | 7    | -                       | 176,891            |
| Deferred consideration payable  | 8    | 139,926                 | 133,369            |
| Convertible promissory note   | 9    | 231,053                 | 214,116            |
|   |      | <b>1,236,398</b>        | <b>1,495,493</b>   |
| <b>TOTAL LIABILITIES</b>  |      | <b>1,236,398</b>        | <b>1,495,493</b>   |
| <b>EQUITY</b>   |      |                         |                    |
| 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   |      | (39,317)                | (77,416)           |
| Accumulated deficit   |      | (25,911,712)            | (25,616,331)       |
| Non-controlling interests   |      | 101,815                 | 103,242            |
|   |      | <b>485,679</b>          | <b>744,388</b>     |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                     |      | <b>1,722,077</b>        | <b>2,239,381</b>   |
| Nature of operations and going concern  | 1    |                         |                    |
| Basis of presentation   | 2    |                         |                    |
| Commitments and contingencies   | 16   |                         |                    |
| Subsequent events   | 18   |                         |                    |
| APPROVED ON   |      |                         |                    |
| BEHALF OF THE BOARD ON JANUARY 29, 2025:  |      |                         |                    |
| <u>Eric Roth</u>  |      | <u>Glen Parsons</u>     |                    |
| Director  |      | Director                |                    |
| - See accompanying notes to the condensed interim consolidated financial statements - |      |                         |                    |

# Capella Minerals Limited

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited

Expressed in Canadian Dollars

For the Three and Six months ended

|   | Note | Three months ended |                  | Six months ended   |                  |
|---|------|--------------------|------------------|--------------------|------------------|
|   |      | November 30,       | November 30,     | November 30,       | November 30,     |
|   |      | 2024               | 2023             | 2024               | 2023             |
|   |      | \$                 | \$               | \$                 | \$               |
| <b>General and administrative expenses</b>                            |      |                    |                  |                    |                  |
| Management and administrative fees                                    |      | 130,194            | 151,208          | 244,784            | 286,868          |
| Regulatory and transfer agent fees                                    |      | 25,804             | 12,246           | 33,885             | 21,321           |
| Shareholder information and meetings                                  |      | 11,994             | 69,236           | 18,714             | 78,146           |
| Office and general  |      | 9,839              | 5,115            | 18,620             | 10,122           |
| Professional fees   |      | 460                | 2,727            | 5,975              | 2,727            |
| Travel  |      | 2,108              | 25,441           | 4,991              | 31,489           |
| Share-based payments  |      | -                  | 13,006           | -                  | 26,154           |
|   |      | <b>(180,399)</b>   | <b>(278,979)</b> | <b>(326,969)</b>   | <b>(456,827)</b> |
| Provision against/write off deferred exploration and evaluation costs | 6    | (7,150)            | 6,628            | (93,114)           | (16,058)         |
| Unrealized gain/(loss) on financial assets                            | 5    | (199)              | 26,750           | (49,040)           | -                |
| Loss on sale of financial assets                                      | 5    | (67,582)           | (12,100)         | (67,582)           | (14,520)         |
| Loss on disposal of assets  | 6    | -                  | -                | (36,775)           | -                |
| Foreign exchange gain/(loss)  |      | (20,583)           | (17,982)         | (21,712)           | (17,429)         |
| Share of losses- investment in associate                              |      | -                  | (4,300)          | -                  | (7,500)          |
| Loan interest & other   | 9    | (4,265)            | (753)            | (6,992)            | (2,057)          |
| Other   | 7    | -                  | -                | (3,480)            | -                |
| Deferred consideration payable interest                               | 8    | (218)              | (2,762)          | (3,009)            | (5,497)          |
| Contractual obligation payable interest                               |      | -                  | (39)             | -                  | (79)             |
| Gain on disposal of assets  | 10   | -                  | -                | 313,292            | -                |
| <b>Loss for the period</b>  |      | <b>(280,396)</b>   | <b>(283,537)</b> | <b>(295,381)</b>   | <b>(519,967)</b> |
| <b>Other comprehensive gain/(loss)</b>                                |      |                    |                  |                    |                  |
| Foreign currency translation  |      | (986)              | 6,382            | 38,099             | 69,691           |
| <b>Comprehensive gain/(loss) for the period</b>                       |      | <b>(281,382)</b>   | <b>(277,155)</b> | <b>(257,282)</b>   | <b>(450,276)</b> |
| <b>Loss per share – basic and diluted</b>                             | \$   | <b>(0.0)</b>       | (0.0)            | <b>(0.0)</b>       | (0.0)            |
| <b>Weighted average number of shares outstanding</b>                  |      | <b>236,985,195</b> | 204,391,514      | <b>236,985,195</b> | 197,499,236      |
| <i>Attributable to :</i>  |      |                    |                  |                    |                  |
| Owners of the company   |      | (279,911)          | (269,438)        | (255,855)          | (438,431)        |
| Non-controlling interests   |      | (1,471)            | (7,717)          | (1,427)            | (11,825)         |
|   |      | <b>(281,382)</b>   | <b>(277,155)</b> | <b>(257,282)</b>   | <b>(450,276)</b> |

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

## Capella Minerals Limited

### Condensed Interim Consolidated Statements of Cash Flows

Unaudited

Expressed in Canadian Dollars

For the Three and Six months ended

|   | Note | November 30<br>2024<br>\$ | November 30<br>2023<br>\$ |
|---|------|---------------------------|---------------------------|
| <b>Cash provided by (used in):</b>                      |      |                           |                           |
| <b>Operating activities</b>                             |      |                           |                           |
| Net income/(Loss) for the year                          |      | (295,381)                 | (519,967)                 |
| Items not affecting cash:                               |      |                           |                           |
| Gain on disposal of asset                               | 10   | (313,292)                 | -                         |
| Loss on disposal of asset                               | 6    | 36,775                    | -                         |
| Realised loss on sale of financial assets               | 5    | 67,582                    | 14,520                    |
| Share-based payments                                    |      | -                         | 26,154                    |
| Foreign exchange  |      | 21,712                    | 17,429                    |
| Share of losses in investment in associate              |      | -                         | 7,500                     |
| Write off deferred exploration and evaluation costs     | 6    | 93,114                    | 16,058                    |
| Unrealized movement on financial asset                  | 5    | 49,040                    | -                         |
| Other   | 7    | 3,480                     | -                         |
| Interest  | 9    | 6,992                     | -                         |
| Deferred consideration payable interest                 | 8    | 3,009                     | 5,497                     |
| Contractual obligation payable interest                 | 7    | -                         | 79                        |
| Changes in non-cash working capital                     | 14   | (22,200)                  | 277,330                   |
|   |      | (349,169)                 | (155,400)                 |
| <b>Investing activities</b>                             |      |                           |                           |
| Proceeds from disposal of asset                         | 6    | 350,000                   | -                         |
| Net proceeds from sale of financial assets              | 5    | 316,098                   | 40,450                    |
| Exploration and evaluation costs                        |      | (283,218)                 | (965,086)                 |
| Payment for acquisition- anniversary payment (Cullen)   |      | -                         | (102,867)                 |
|   |      | 382,880                   | (1,027,503)               |
| <b>Financing activities</b>                             |      |                           |                           |
| Proceeds from issue of shares                           |      | -                         | 1,253,250                 |
| Share issue costs                                       |      | -                         | (67,410)                  |
| Loan proceeds   |      | -                         | 205,078                   |
|   |      | -                         | 1,390,918                 |
| <b>Change in cash</b>                                   |      | <b>33,711</b>             | <b>208,015</b>            |
| <b>Effect of fluctuations in exchange rates on cash</b> |      | <b>(32,033)</b>           | <b>(60,894)</b>           |
| <b>Cash – beginning of year</b>                         |      | <b>61,409</b>             | <b>57,973</b>             |
| <b>Cash – end of year</b>                               |      | <b>63,097</b>             | <b>205,094</b>            |

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**

*Unaudited*

*Expressed in Canadian Dollars*

*For the Three and Six Months Ended November 30, 2024*

|                                      | Share capital<br>(Number of<br>Shares) | Share<br>capital<br>(Amount) | Reserves –<br>Warrants | Reserves –<br>Options | Reserves-<br>Foreign<br>Currency<br>Translation | Accumulated<br>Deficit | Non-<br>controlling<br>interests | Total            |
|--------------------------------------|--|------------------------------|------------------------|-----------------------|---|------------------------|----------------------------------|------------------|
|                                      |  | \$                           | \$                     | \$                    | \$  | \$                     | \$                               | \$               |
| <b>May 31, 2023</b>                  | <b>195,210,195</b>                     | <b>22,643,814</b>            | <b>442,554</b>         | <b>2,023,667</b>      | <b>(186,396)</b>                                | <b>(19,870,181)</b>    | <b>126,075</b>                   | <b>5,179,533</b> |
| Loss for the year                    | -                                      | -                            | -                      | -                     | -   | (519,967)              | -                                | (519,967)        |
| Share-based payments                 | -                                      | -                            | -                      | 26,154                | -   | -                      | -                                | 26,154           |
| Issue of shares                      | 41,775,000                             | 1,253,250                    | -                      | -                     | -   | -                      | -                                | 1,253,250        |
| Share issue costs                    | -                                      | (120,552)                    | 53,143                 | -                     | -   | -                      | -                                | (67,409)         |
| Foreign currency translation         | -                                      | -                            | -                      | -                     | 69,691  | -                      | -                                | 69,691           |
| Movement in non-controlling interest | -                                      | -                            | -                      | -                     | -   | -                      | (11,825)                         | (11,825)         |
| <b>November, 2023</b>                | <b>236,985,195</b>                     | <b>23,776,512</b>            | <b>495,697</b>         | <b>2,049,821</b>      | <b>(116,705)</b>                                | <b>(20,390,148)</b>    | <b>114,250</b>                   | <b>5,929,427</b> |
| Loss for the year                    | -                                      | -                            | -                      | -                     | -   | (5,226,183)            | -                                | (5,226,183)      |
| Share-based payments                 | -                                      | -                            | -                      | 12,863                | -   | -                      | -                                | 12,863           |
| Foreign currency translation         | -                                      | -                            | -                      | -                     | 39,289  | -                      | -                                | 39,289           |
| Movement in non-controlling interest | -                                      | -                            | -                      | -                     | -   | -                      | (11,008)                         | (11,008)         |
| <b>May 31, 2024</b>                  | <b>236,985,195</b>                     | <b>23,776,512</b>            | <b>495,697</b>         | <b>2,062,684</b>      | <b>(77,416)</b>                                 | <b>(25,616,331)</b>    | <b>103,242</b>                   | <b>744,388</b>   |
| Loss for the year                    | -                                      | -                            | -                      | -                     | -   | (295,381)              | -                                | (295,381)        |
| Foreign currency translation         | -                                      | -                            | -                      | -                     | 38,099  | -                      | -                                | 38,099           |
| Movement in non-controlling interest | -                                      | -                            | -                      | -                     | -   | -                      | (1,427)                          | (1,427)          |
| <b>November 30, 2024</b>             | <b>236,985,195</b>                     | <b>23,776,512</b>            | <b>495,697</b>         | <b>2,062,684</b>      | <b>(39,317)</b>                                 | <b>(25,911,712)</b>    | <b>101,815</b>                   | <b>485,679</b>   |

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

**Capella Minerals Limited**  
**Condensed Interim Consolidated Financial Statements**  
**For the Three and Six Months Ended November 30, 2024**  
*Unaudited*  
*Expressed in Canadian Dollars*

**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 and six months ended November 30, 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 \$25,911,712 at November 30, 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 and six months ended November 30, 2024, and November 30, 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 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 and six months ended November 30, 2024, were approved and authorized for issue by the Board of Directors on January 29, 2025.

**Capella Minerals Limited**  
**Condensed Interim Consolidated Financial Statements**  
For the Three and Six Months Ended November 30, 2024  
Unaudited  
Expressed in Canadian Dollars

**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:

| <b>Entity</b>                  | <b>Country of Incorporation</b> | <b>Ownership</b> | <b>Functional Currency</b> |
|--------------------------------|---------------------------------|------------------|----------------------------|
| 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                       |
| Euroolithium 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 Euroolithium Oy has been determined to be the Euro. The functional currency of its other entities, including the parent is the Canadian dollar.

**Capella Minerals Limited**  
**Condensed Interim Consolidated Financial Statements**  
For the Three and Six Months Ended November 30, 2024  
Unaudited  
Expressed in Canadian Dollars

**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 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

The Company adopted this amended policy beginning June 1, 2024, without material impact.

***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.

**3. Receivables**

|                    | <b>November 30, 2024</b> | May 31, 2024 |
|--------------------|--------------------------|--------------|
|                    | \$                       | \$           |
| HST/GST receivable | 16,007                   | 9,033        |
| Other receivables  | 30                       | 31           |
|                    | <b>16,037</b>            | <b>9,064</b> |

**4. Accounts payable, accrued & other liabilities**

|                                      | <b>November 30, 2024</b> | May 31, 2024   |
|--------------------------------------|--------------------------|----------------|
|                                      | \$                       | \$             |
| Accounts payable & other liabilities | 413,833                  | 528,521        |
| Accrued liabilities                  | 451,586                  | 442,596        |
|                                      | <b>865,419</b>           | <b>971,117</b> |



**Capella Minerals Limited**  
**Condensed Interim Consolidated Financial Statements**  
For the Three and Six Months Ended November 30, 2024  
Unaudited  
Expressed in Canadian Dollars

**5. Financial Instruments**

**Categories of financial instruments**

|   | November 30, 2024 | May 31, 2024     |
|---|-------------------|------------------|
|   | \$                | \$               |
| Financial assets                              |                   |                  |
| Fair value through profit or loss (“FVTPL”)   |                   |                  |
| Investments                                   | 313,677           | 449,150          |
| Amortized Cost                                |                   |                  |
| Cash  | 63,097            | 61,409           |
| Receivables                                   | 16,037            | 9,064            |
|   | <b>392,811</b>    | <b>519,623</b>   |
| Financial liabilities                         |                   |                  |
| Amortized cost                                |                   |                  |
| Accounts payable, accrued & other liabilities | 865,419           | 971,117          |
| Contractual obligation payable                | -                 | 176,891          |
| Deferred consideration payable                | 139,926           | 133,369          |
| Convertible promissory note                   | 231,053           | 214,116          |
|   | <b>1,236,398</b>  | <b>1,495,493</b> |

On September 23, 2024, the Company sold 1,000,000 Prospector Metals Corp Prospector (“Prospector”) shares for gross proceeds of \$112,780 and incurred \$406 in fees recognizing a realized loss of \$87,627 (including cost of sale fees) on its shareholding during the six months ending November 30, 2024.

During November 2024, the Company sold a total of 13,500 Grit Metal Corp (“Grit Metals” previously European Energy) shares for gross proceeds of \$2,525 and incurred fees of \$251 recognizing a realized loss of \$1,034 in the six months ending November 30, 2024. As at November 30, 2024, the Company had 1,236,500 Grit Metals shares valued at \$176,802 included in investments including a unrealized loss of \$7,243 in the six months ending November 30, 2024. Subsequent to the period end and to the date of this report, the Company had sold a further 136,500 Grit Metals shares. The remaining 1,100,000 Grit Metals 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. The Company unwound \$8,203 of recognized discount in the six months ending November 30, 2024 as the first hold period expired during the period.

During the six months ended November 30, 2024, 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 \$136,875 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 has 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 loss of \$50,000 on its Teako shareholding during the six months ending November 30, 2024.

During the six months ending November 30, 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). On September 25, 2024, the Company sold 1,132,750 number of Unico shares for gross proceeds of \$201,492 and incurred fees of \$42 and recognized a realized gain of \$21,079 in the six months ending November 30, 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.

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**5. Financial Instruments (continued)**

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

|                  | November 30, 2024 | May 31, 2024 |
|------------------|-------------------|--------------|
|                  | \$                | \$           |
| Financial Assets |                   |              |
| Level 1          |                   |              |
| Quoted shares    | 313,677           | 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:

| November 30, 2024    | Cash   | Receivables | Accounts payable and<br>accrued liabilities | Promissory Note |
|----------------------|--------|-------------|---|-----------------|
|                      | \$     | \$          | \$  | \$              |
| US dollars           | 285    | -           | (122,069)                                   | (231,503)       |
| Swedish kroner       | 12,558 | -           | (9,102)                                     | -               |
| Euro                 | 25,854 | 7,170       | (22,862)                                    | -               |
| Australian dollars   | -      | -           | (78,011)                                    | -               |
| Norwegian kroner     | 7,132  | -           | (92,596)                                    | -               |
| Great Britain pounds | 893    | -           | -   | -               |
| May 31, 2024         | Cash   | Receivables | Accounts payable and<br>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 November 30, 2024 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by \$50,234 (2023: \$49,951).

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**5. Financial Instruments (continued)**

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 November 30, 2024 and November 30, 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 November 30, 2024 the Company had cash of \$63,097 (May 31, 2024 - \$61,409) to settle current liabilities of \$1,236,398 (May 31, 2024 - \$1,495,493), \$139,926 being the current portion of deferred consideration payable to Cullen Resources and a promissory note payable to related party of \$231,053. The Company is considering strategic alternatives including monetization or joint venture of its assets in Norway.

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 November 30, 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 \$36,152 (2023: \$6,000).

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**5. Exploration and Evaluation Assets**

|   | Løkken,<br>Norway | Kjøli,<br>Norway | Hessjogruva,<br>Norway | Vaddas-<br>Birtavarre,<br>Norway | Aakenus,<br>Finland | Katajavaara,<br>Finland | Pehro,<br>Finland | Euro-<br>lithium,<br>Finland | Savant<br>Lake,<br>Ontario<br>Canada | Total            |
|---|-------------------|------------------|------------------------|----------------------------------|---------------------|-------------------------|-------------------|------------------------------|--------------------------------------|------------------|
|   | \$                | \$               | \$                     | \$                               | \$                  | \$                      | \$                | \$                           | \$                                   | \$               |
| <b>Balance May 31, 2023</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                                    | -                 | 30,129           | 18,958                 | -                                | 57,243              | -                       | -                 | -                            | -                                    | 106,330          |
| Camp, travel, administration and other costs              | 10,447            | 20,141           | 1,608                  | -                                | 843                 | 17,380                  | 1,693             | -                            | -                                    | 52,112           |
| Geologists and data collection                            | 75,684            | 93,041           | 6,890                  | -                                | 10,826              | 23,353                  | 34,641            | -                            | -                                    | 244,435          |
| Farm out recoveries                                       | -                 | -                | -                      | (40,000)                         | -                   | -                       | -                 | -                            | -                                    | (40,000)         |
| Foreign exchange movement                                 | 73,877            | 44,118           | 1,454                  | 2,326                            | 6,365               | 76                      | 463               | 8,201                        | -                                    | 136,880          |
| <b>Balance November 30, 2023</b>                          | <b>1,915,855</b>  | <b>2,435,799</b> | <b>95,800</b>          | <b>49,613</b>                    | <b>604,519</b>      | <b>297,278</b>          | <b>44,882</b>     | <b>816,907</b>               | <b>498,103</b>                       | <b>6,758,756</b> |
| Acquisition and tenure                                    | 30,000            | -                | 11,887                 | 22,959                           | 31,016              | -                       | -                 | -                            | -                                    | 95,862           |
| Camp, travel, administration and other costs              | 24,733            | 11,910           | 758                    | -                                | 7,163               | 1,150                   | 144               | -                            | -                                    | 45,858           |
| Geologists and data collection                            | 53,651            | 58,585           | 11,407                 | -                                | 32,565              | 11,407                  | 4,491             | -                            | -                                    | 172,106          |
| Drilling and assay costs                                  | -                 | 2,348            | -                      | -                                | -                   | -                       | -                 | -                            | -                                    | 2,348            |
| Farm out recoveries                                       | -                 | -                | -                      | (39,939)                         | -                   | -                       | -                 | (36,750)                     | -                                    | (76,689)         |
| 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                                 | (24,743)          | 43,877           | 2,131                  | 1,612                            | (31,173)            | (305)                   | (2,289)           | (3,014)                      | -                                    | (13,904)         |
| <b>Balance May 31, 2024</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> |
| Acquisition and tenure                                    | 38,000            | -                | 11,953                 | -                                | 43,734              | -                       | -                 | -                            | -                                    | 93,687           |
| Camp, travel, administration and other costs              | -                 | -                | -                      | -                                | 9,518               | -                       | -                 | -                            | -                                    | 9,518            |
| Geologists and data collection                            | 43,755            | -                | 19,254                 | -                                | 64,206              | -                       | -                 | -                            | -                                    | 127,215          |
| Sale of project   | (503,650)         | -                | -                      | -                                | -                   | -                       | -                 | -                            | -                                    | (503,650)        |
| Provision for impairment /write down of exploration costs | (85,964)          | -                | -                      | -                                | -                   | -                       | -                 | -                            | -                                    | (85,964)         |
| Foreign exchange movement                                 | 4,209             | -                | (1,866)                | -                                | 31,164              | 302                     | -                 | -                            | -                                    | 33,809           |
| <b>Balance November 30, 2024</b>                          | <b>51,900</b>     | <b>-</b>         | <b>151,324</b>         | <b>-</b>                         | <b>792,712</b>      | <b>309,832</b>          | <b>-</b>          | <b>-</b>                     | <b>-</b>                             | <b>1,305,768</b> |

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**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 was 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 (completed). 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:

- 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.

Capella is accounting for this as a farm in arrangement.

**Norway Copper-Cobalt Projects**

*Løkken and Kjølvi, Norway (100% Capella)*

The Løkken and Kjølvi 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.

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**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:

|                                      | \$              |
|--------------------------------------|-----------------|
| <i>Consideration consists of:</i>    |                 |
| 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)       |
| <b>Loss on disposal</b>              | <b>(36,775)</b> |

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 Kjøløli project of \$2,552,519 in the year ending May 31, 2024. As a direct result of exploration activities determining limited upside potential, the Kjøløli project was returned to EMX during the current reporting period.

**Other**

During the six months ending November 30, 2024 the Company expensed \$93,114 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.

Subsequent to the period end, the Company sold its interest in the Domain project for cash of \$44,400.

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**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.

|             | <b>November 30, 2024</b> | May 31, 2024   |
|-------------|--------------------------|----------------|
|             | \$                       | \$             |
| Current     | -                        | 176,891        |
| Non-current | -                        | -              |
|             | <b>-</b>                 | <b>176,891</b> |

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:

|                        | <b>November 30, 2024</b> | May 31, 2024   |
|------------------------|--------------------------|----------------|
|                        | \$                       | \$             |
| Opening balance        | 176,891                  | 159,712        |
| Repayment              | (180,371)                | -              |
| Interest               | -                        | 157            |
| Revaluation            | 3,480                    | 17,022         |
| <b>Closing balance</b> | <b>-</b>                 | <b>176,891</b> |

**8. Deferred Consideration Payable**

The Company has recognised a deferred consideration payable of \$139,826 in relation to its acquisition from Cullen of its interest in the Katajavaara and Aakenus gold(-copper) projects.

|             | <b>November 30, 2024</b> | May 31, 2024   |
|-------------|--------------------------|----------------|
|             | \$                       | \$             |
| Current     | <b>139,926</b>           | 133,369        |
| Non-current | -                        | -              |
|             | <b>139,926</b>           | <b>133,369</b> |

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:

|                            | <b>November 30, 2024</b> | May 31, 2024   |
|----------------------------|--------------------------|----------------|
|                            | \$                       | \$             |
| Opening balance            | <b>133,369</b>           | 223,064        |
| Interest                   | 3,009                    | 11,004         |
| Anniversary payment        | -                        | (102,867)      |
| Foreign exchange movements | 3,548                    | 2,168          |
| <b>Closing balance</b>     | <b>139,926</b>           | <b>133,369</b> |

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**9. Convertible Promissory Note**

|             | November 30, 2024 | May 31, 2024 |
|-------------|-------------------|--------------|
|             | \$                | \$           |
| Current     | 231,053           | 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 31, 2025. 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 November 30, 2024.

An amount of \$6,992 was recorded as interest expense on the promissory note during the six months ending November 30, 2024.

Reconciliation of movements are as follows:

|                            | November 30, 2024 | May 31, 2024   |
|----------------------------|-------------------|----------------|
|                            | \$                | \$             |
| Opening balance            | 214,116           |                |
| Loan proceeds              | -                 | 205,078        |
| Interest                   | 6,992             | 9,513          |
| Foreign exchange movements | 9,945             | (475)          |
| <b>Closing balance</b>     | <b>231,053</b>    | <b>214,116</b> |

**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:

|                                   | \$             |
|-----------------------------------|----------------|
| <i>Consideration consists of:</i> |                |
| 2,265,000 Unico shares @ \$0.16   | 360,741        |
| Total consideration (90%)         | 360,741        |
| Less carrying value (90%)         | (47,449)       |
| <b>Gain on disposal</b>           | <b>313,292</b> |



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**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.
- d) 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.
- e) On December 19, 2024 the Company received regulatory acceptance for a share consolidation. The Company's current outstanding shares 236,985,195 were consolidated on a 6 old for 1 new basis giving the Company 39,497,532 common shares outstanding post-consolidation. Refer to Note 18 for further details.

- (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 November 30, 2024

- a) Movements in stock options during the year:

|                                  | Options<br>Outstanding | Weighted Average<br>Exercise Price |
|----------------------------------|------------------------|------------------------------------|
| <b>Balance, May 31, 2023</b>     | <b>11,045,000</b>      | <b>\$0.13</b>                      |
| Expired/cancelled/forfeited      | (7,045,000)            | \$017                              |
| <b>Balance November 30, 2023</b> | <b>4,000,000</b>       | <b>\$0.10</b>                      |
| <b>Balance May 31, 2024</b>      | <b>4,000,000</b>       | <b>\$0.10</b>                      |
| <b>Balance November 30, 2024</b> | <b>4,000,000*</b>      | <b>\$0.10</b>                      |

\* pre-consolidation refer to Note 18 for further details

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**11. Share Capital and Reserves (continued)**

Fair value of options granted

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

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     |

b) Stock options outstanding

| Options Outstanding | Options Exercisable | Price per Share | Remaining contractual life (years) | Expiry date       |
|---------------------|---------------------|-----------------|------------------------------------|-------------------|
| 4,000,000           | 4,000,000           | \$ 0.10         | 0.22                               | February 18, 2025 |
| <b>4,000,000</b>    | <b>4,000,000</b>    |                 |                                    |                   |

The weighted average exercise price of the options exercisable at November 30, 2024 is \$0.10 (2024 - \$0.10).

(iii) Share purchase warrants

a) Movements in warrants during the year:

|                                   | Warrants Outstanding | Weighted Average Exercise Price |
|-----------------------------------|----------------------|---------------------------------|
| <b>Balance, May 31, 2023</b>      | <b>76,984,927</b>    | <b>\$0.12</b>                   |
| Expired                           | (62,558,260)         | \$0.12                          |
| Issued                            | 23,604,167           | \$0.06                          |
| <b>Balance, November 30, 2023</b> | <b>38,030,834</b>    | <b>\$0.08</b>                   |
| <b>Balance, May 31 2024</b>       | <b>38,030,834</b>    | <b>\$0.08</b>                   |
| Expired                           | (14,426,667)         | \$0.12                          |
| <b>Balance, November 30, 2023</b> | <b>23,604,167*</b>   | <b>\$0.06</b>                   |

\* pre-consolidation refer to Note 18 for further details

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   |

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**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.

|                      | November 30, 2024 | November 30, 2023 |
|----------------------|-------------------|-------------------|
|                      | \$                | \$                |
| Management fees      | 130,730           | 199,238           |
| Share-based payments | -                 | 12,423            |

b) Related party balances recorded in current liabilities

|   | November 30, 2024 | May 31, 2024 |
|---|-------------------|--------------|
|   | \$                | \$           |
| Glen Parsons- Non-executive director                  | 53,933            | 47,733       |
| Perihelion Inc – Mary Little - Non-executive director | 284,986           | 261,849      |
| Eric Roth - CEO                                       | 154,688           | 174,679      |
| Genco Professional Services- S Cooper – CFO           | 80,056            | 78,011       |
| Marketworks Inc. – Kathryn Witter Company Secretary   | 37,620            | 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:

|                                     | November 30, 2024 | November 30, 2023 |
|-------------------------------------|-------------------|-------------------|
|                                     | \$                | \$                |
| Salaries/Exploration/Consulting (i) | 130,730           | 199,238           |
| Share based payments                | -                 | 12,423            |

(i) Key management were not paid post-employment benefits or other long-term benefits during the three and six months ended November 30, 2024 and November 30, 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 31, 2025. Interest of \$6,992 has been recorded in the six months ended November 30, 2024.

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**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:

|  | November 30, 2024 | May 31, 2024     |
|--|-------------------|------------------|
|  | \$                | \$               |
| <b>Total non-current long-lived assets</b> |                   |                  |
| Norway                                     | 203,224           | 677,533          |
| Finland                                    | 1,102,544         | 953,620          |
|  | <b>1,305,768</b>  | <b>1,631,153</b> |

**14. Supplemental Cash Flow Information**

|  | November 30, 2024 | November 30, 2023 |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Changes in non-cash working capital</b>           |                   |                   |
| Movement in receivables                              | (6,973)           | 2,953             |
| Movement in prepaid expenses                         | 17,728            | (8,471)           |
| Movement in accounts payable and accrued liabilities | (32,955)          | 282,848           |
|  | <b>(22,200)</b>   | <b>277,330</b>    |

|   | November 30, 2024 | November 30, 2023 |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>Schedule of non-cash investing and financing transactions:</b>     |                   |                   |
| Exploration and evaluation expenditures included in accounts payable  | 279,228           | 331,921           |
| Provision against/write off deferred exploration and evaluation costs | 93,114            | -                 |
| Investment in associate - share of losses                             | -                 | 7,500             |
| Interest  | 6,992             | 2,057             |
| Deferred consideration payable interest                               | 3,009             | 5,497             |
| Shares received – Teako minerals                                      | 360,741           | 40,000            |
| Shares received – Unico   | 116,875           | -                 |
| Contractual obligation interest payable                               | -                 | 78                |
| Realized revaluation movement of financial asset                      | 67,582            | 2,450             |
| Unrealised movement of financial assets                               | 49,040            | 26,750            |
| Finders warrants issued   | -                 | 53,143            |
| Repayment of contractual obligation payable                           | (180,371)         | -                 |

**Supplementary disclosure of cash flow information:**

|                            | November 30, 2024 | November 30, 2023 |
|----------------------------|-------------------|-------------------|
|                            | \$                | \$                |
| Cash paid for interest     | -                 | -                 |
| Cash paid for income taxes | -                 | -                 |

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**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 requires 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 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.

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**17. Equipment**

|                            | Office<br>equipment | Accumulated<br>depreciation | TOTAL        |
|----------------------------|---------------------|-----------------------------|--------------|
|                            | \$                  | \$                          | \$           |
| <b>May 31, 2023</b>        | <b>2,311</b>        | <b>(792)</b>                | <b>1,519</b> |
| Depreciation               | -                   | (826)                       | (826)        |
| Foreign exchange movements | 159                 | (76)                        | 83           |
| <b>May 31, 2024</b>        | <b>2,470</b>        | <b>(1,694)</b>              | <b>776</b>   |
| Depreciation               | -                   | (415)                       | (415)        |
| Foreign exchange movements | (61)                | 44                          | (17)         |
| <b>November 30, 2024</b>   | <b>2,409</b>        | <b>(2,065)</b>              | <b>344</b>   |

**18. Subsequent events**

On December 19, 2024 the Company received regulatory acceptance for a share consolidation. The Company's then outstanding shares 236,985,195 were consolidated on a 6 old for 1 new basis giving the Company 39,497,532 common shares outstanding post-consolidation. The Company began trading on a post-consolidated basis at the opening on December 23, 2024 (the "Effective Date") under the new CUSIP 13960M201 and ISIN CA13960M2013.

The Company announced on December 3, 2024 it is to undertake a non-brokered private placement of up to 15,000,000 units ("Units") at \$0.05 per Unit to raise gross proceeds of up to \$750,000 on a post-consolidated basis, with possibility to expand. Each Unit shall consist of one post-consolidated share and one-half of one share purchase warrant, each whole warrant entitling the holder to acquire an additional post-consolidated share, at a price of \$0.10 per post-consolidated share for a period of two years from date of issuance. Gross proceeds of up to \$750,000 will be used for advancing the Company's Scandinavian projects and general working capital.

On December 23, 2024, the Company sold its remaining interest in the Domain project for \$44,400.

The Company sold a further 136,500 shares of Grit Metals during December 2024, and January 2025 for gross proceeds of C\$19,020.