



CAPELLA MINERALS LIMITED
8681 Clay Street
Mission BC
CANADA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Twelve Months Ended May 31, 2025

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Form 51-102F1
Management Discussion and Analysis
For
Capella Minerals Limited (“Capella”, or the “Company”)

This following Management’s Discussion and Analysis (“MD&A”) of the Company has been prepared as of September 29, 2025 and should be read in conjunction with the audited Annual Financial Statements (“Annual Financial Statements”) for the years ended May 31, 2025 and 2024, together with the notes thereto.

Financial statement information presented herein was prepared using accounting policies in compliance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board.

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

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company does not assume the obligation to update any forward-looking statement, except as required by applicable law.

Management is responsible for the presentation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A is complete and reliable.

NATURE OF BUSINESS

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

The Company engages primarily in the acquisition, exploration and development of base metal projects to own, sell or joint venture with a current focus in Scandinavia, specifically copper(-cobalt-zinc) projects in central Norway and copper-gold projects in northern Finland.

The Company’s primary stock exchange listing is on the TSX Venture Exchange (“TSXV”), where it trades under the symbol “CMIL”. The Company also has secondary listings on the United States OTC Pink market (having stepped down from the OTCQB market on March 31, 2025; trading symbol: “CMILF”) and also on the Frankfurt Stock Exchange (post-consolidation trading symbol: “N7D”).

HIGHLIGHTS AND DEVELOPMENTS FOR THE TWELVE MONTHS ENDED MAY 31, 2025 AND TO THE DATE OF THIS REPORT

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

Project	Location	Principal Commodities	Capella Ownership
Northern Finland Au-Cu <i>(Killero E, Killero W, Saattopora W, Keisunselka, Jolhikko)</i>	Finland	Gold, copper	70% Capella - 30% Cullen Resources
Hessjøgruva	Norway	Copper, cobalt, zinc	100% Capella
Løkken			10% Capella - 90%Teako Minerals

Key Developments

Exploration and Development Portfolio - Scandinavia

- The Company's activities are currently focused on the exploration and joint venturing the development of its portfolio of gold-copper ("Au-Cu") projects in the Central Lapland Greenstone Belt of northern Finland, together with its high-grade copper-cobalt-zinc ("Cu-Co-Zn") massive sulfide ("VMS") projects in the former Røros and Løkken mining districts of central Norway. In addition, the Company continues to evaluate new high-grade Au-Cu opportunities with the potential to complement the current portfolio of assets.
- On September 2, 2025, Capella announced the signing of a Definitive Agreement with Turkish mining company Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") with respect to a staged earn-in proposal for the Company's portfolio of precious and base metal projects in Finland and Norway. The signing of the Definitive Agreement followed the signing of a Non-Binding Letter of Intent on June 2, 2025.
- The Definitive Agreement with Tümad contemplates an on-signing cash payment to Capella of USD 500,000, in addition to the following mandatory work commitments during the first 12 months: USD 2,500,000 in Norway (and including a minimum of 8,000m of drilling) and USD 1,250,000 (including a minimum of 4,000m of drilling) in Finland for a 30% interest in Capella's holding in the respective project. After the completion of Year 1, Tümad has the option to either continue investing in exploration (and thereby increasing its interest in the respective project(s)) or reverting to a 1% Net Smelter Royalty on the projects in each country that it decides not to continue with. Further details of the Tümad agreement are provided below in the section "Tümad Exploration Agreement – Scandinavia".
- Key developments during the period with respect to Capella's Finnish exploration portfolio include:
 - The Company holds an initial 70% interest in 5 exploration licences ("EL's") covering a series of Au-Cu projects in the Central Lapland Greenstone Belt of northern Finland. These EL's form part of the Tümad Definitive Agreement that was announced on September 2, 2025. Four of these EL's - including the priority Killero E target and the Saattopora W, Keisunselka, and Jolhikko targets - were originally granted in May, 2023, whereas the Killero W EL was granted in December, 2023. The Company's priority is to undertake scout drilling of the Killero E target, the former Anglo American Au-Cu target defined through favourable geology and significant Base of Till Au-Cu geochemical anomalies (but never drill tested). Capella will have earned-in to an 80% interest in these 5 projects after having completed a total of USD\$1,000,000 in exploration expenditures (noting that Tümad's Year 1 exploration commitment also counts towards this expenditure requirement).
 - Capella currently expects first-pass diamond drilling at the Killero E Au-Cu target to occur during the northern 2025/2026 winter as part of the Tümad exploration agreement. Scout drilling at the Saattopora W target - an extension of Outokumpu Oy's former Saattopora Au-Cu mine - is currently expected to occur after the Killero E drill program.
 - The Company's Perho lithium-REE reservation in central Finland expired on July 26, 2024. Due to the marginal results returned from reconnaissance exploration activities at Perho, no EL's were applied for within the original Perho reservation area.
 - The Company also exited its Central Finland Lithium Project in response to poor market fundamentals for the metal. On May 1, 2024, Grit Metals Corp. (previously European Energy Metals Corp)(TSXV: FIN) announced the closing of the acquisition of a 100% interest in the Central Finland Lithium Project for a consideration comprising \$250,000 in cash, 1,100,000 common shares in FIN, and a 2% Net Smelter Royalty ("NSR") on future production.

- Key developments during the period with respect to the Company's Norwegian portfolio include:
 - The Tümad Definitive Agreement announced on September 2, 2025, also includes a minimum Year 1 work commitment on the Company's 100%-owned Hessjøgruva – Kongensgruve Cu-Co-Zn VMS projects. Drill permits had previously been approved for a summer 2025 drill program at Hessjøgruva, and discussions are currently ongoing with local authorities and stakeholders to approve an extension which would allow drilling to occur during Q4, 2025.
 - The Tümad agreement also covers two new regional exploration projects that were recently staked by Capella: the Kviteseid copper-rich VMS and intrusion-related molybdenum project in southern Norway, and the Kjeldebotn copper-rich VMS project in northern Norway. Only limited reconnaissance sampling has been undertaken on these projects to date.
 - On March 20, 2025, the Company announced that Teako Minerals Corp. (CSE: TMIN)("Teako"), the Company's strategic partner at the expanded Løkken Cu-Co-Zn VMS project in central Norway, had initiated a scout diamond drill program on the Åmot and Høydal Cu-Co-Zn targets. The Åmot target is a 2km-long "buried" VMS target hosted within favourable stratigraphy for VMS-type deposits and located just 5km E of the former Løkken copper mining operations. The Høydal target lies between Åmot and Løkken. Only two drill holes could be completed in the limited time available under the current drill permits; additional drilling is currently planned to be undertaken during the northern winter 2025 / 2026.
 - On August 19, 2024 the Company announced that it had executed a Definitive Acquisition Agreement with Teako Minerals Corp. pursuant to which Teako will acquire a 90% interest in Capella's high-grade Løkken Cu-Co-Zn VMS project. In accordance with this agreement, Capella received a combination of cash and common shares in Teako on August 30, 2024, a firm commitment by Teako to carrying out drilling on the Åmot and/or Høydal targets and bringing additional targets to drill-ready status, with Capella retaining a non-dilutable 10% carried interest on the Løkken project through to commercial production.
 - Capella announced on July 19, 2024, that the Company and Polar Transition Metals AS ("Polar"; formerly "NickelX") had agreed, following the elapse of the long stop date, to an immediate termination of the asset sale agreement that was previously announced on October 17, 2023 and subsequently amended on April 9, 2024. Under this agreement, Polar would have acquired all of Capella's central Norway copper portfolio by the agreed long stop date of July 7, 2024 for \$5,000,000 plus \$2,000,000 in shares of a to-be-formed listed company.
- Divestitures – Non-Core Assets in the Americas
 - On December 23, 2024, the Company completed the sale of its 29.6% interest in the Domain project in Manitoba to ONGold Resources Ltd (TSXV: ONAU). The Company received an upfront cash payment of \$44,400, with a further conditional payment of \$148,000 due upon the commencement of commercial production at the project. In addition, the Company received a commitment from a major gold producer to participate in Capella's December 2024 financing.
 - On May 21, 2024 the Company reached an agreement with Unico Silver Ltd. (ASX: USL)("Unico") through which 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. The Company received net 1,132,750 common shares in Unico as consideration for the transaction.
 - The Company announced on April 4, 2024, that Prospector Metals Corp. (TSXV: PPP) had signed a Property Acquisition Agreement through which Prospector would acquire a 100% interest in the Savant Gold Project, Ontario. The Company received as consideration \$50,000 in cash, 1,000,000 common PPP shares, plus a 1% NSR on any future production from the property.

Corporate

- **Share Consolidation:** On December 19, 2024 the Company received TSXV Exchange approval for a previously announced 6:1 share consolidation. As a result, the Company's previous 236,985,195 common shares were consolidated on a 6 old for 1 new basis giving the Company 39,497,532 common shares outstanding post-consolidation. The Company commenced trading on a post-consolidated basis on December 23, 2024, under a new CUSIP 13960M201 and ISIN CA13960M2013.
- **Sierra Blanca Divestiture:** On May 21, 2024 the Company reached an agreement with Unico Silver Ltd. through which Unico will acquire a 100% interest in Sierra Blanca S.A., the Argentine subsidiary whose sole asset is the Sierra Blanca gold-silver project in Santa Cruz Province. The Sierra Blanca transaction was approved by Unico shareholders in a General Meeting held on July 9, 2024. As a result of this agreement, the Company transferred 50% of the sale proceeds to Sandstorm Gold Limited ("SSL") in extinguishment of the remaining contractual obligation payable balance for Sierra Blanca. This liability was extinguished on July 24, 2024, with the receipt of the Unico shares. The USL common shares received by Capella were subsequently sold on September 25, 2024, for consideration of \$ 201,492.
- **Løkken Agreement:** On August 19, 2024 the Company executed a Definitive Agreement with Teako Minerals Corp. pursuant to which Teako acquired a 90% interest in Capella's high-grade Løkken Cu-Co-Zn VMS project in central Norway. In addition to Teako agreeing to certain work commitments (including drilling of the Amot target within 12 months), Capella received a cash payment of \$350,000 and 2,500,000 Teako common shares.
- **Prospector Metals Share Sale:** On September 23, 2024, the Company sold 1,000,000 Prospectors Metals Corp ("Prospector") for gross proceeds of \$112,780.
- **Grit Metals Share Sales:** During year the Company sold a total of 553,170 Grit Metal Corp ("Grit Metals") shares for gross proceeds of \$78,070. Subsequent to the period ended May 31, 2025 the Company sold a further 288,500 Grit Metals shares for gross proceeds of \$ 28,715.
- **Domain Divestiture:** During the period, the Company received \$44,400 in cash for the sale of the Company's interest in the Domain project
- The Company announced on December 3, 2024 and amended and updated on July 18th that it planned 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. Each Unit consisting of one post-consolidated share and one-half share purchase warrant each whole warrant entitling the holder to acquire an additional post-consolidated share, at a price of \$0.075 per share for a period of two years from date of issuance. The Company decided to close the financing and did so with the issuance of 2,112,000 shares and 1,056,000 warrants on July 24, 2025. Funds of \$105,600 were received in the period ending May 31, 2025. The Company is currently negotiating a placement which has not yet been finalized.
- **Cullen Resources Ltd. (Finland JV):** As of the date of this report, the Company had paid the full amount of US\$ 100,000 to Cullen Resources Ltd ("Cullen")(ASX: CUL) in relation to the third anniversary payment for the Northern Finland Au-Cu projects.

Tümad Exploration Agreement - Scandinavia

On September 2, 2025, Capella announced the signing of a Definitive Agreement with Turkish mining company Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") with respect to a staged earn-in proposal for the Company's portfolio of precious and base metal projects in Finland and Norway. The signing of the Definitive Agreement followed the signing of a Non-Binding Letter of Intent on June 2, 2025.

Key terms of the Capella – Tümad Agreement are as follows:

- Tümad to make a non-refundable cash payment to Capella of USD50,000 upon signing of the Letter of Intent (completed). Furthermore, Tümad to make cash payments to Capella of US\$ 250,000 each for the Norwegian and Finnish projects upon successful completion of the Due Diligence (completed).
- With respect to the Company's 100%-owned Norwegian Cu-Co-Zn projects (Hessjøgruva-Kongensgruve, Kjeldebotn, and Kviteseid), Tümad will be granted an earn-in on the following terms:
 - Phase 1 (Earn-in to 30%) – Tümad will be required to invest USD 2,500,000 in exploration expenditures (including a minimum 8,000m of core drilling) during the First Year after the signing of the Definitive Agreement. This investment is deemed to be the minimum investment commitment. Should Tümad then elect not to continue on to Phase 2, Tümad's interest in the project will revert to a 1% NSR.
 - Phase 2 (Earn-in to 51%)(Optional) – Tümad will then be required to invest a further USD 5,000,000 in exploration expenditures, which is expected to include the completion of a further 15,000m of infill / step-out drilling, a Canadian NI 43-101 compliant mineral resource estimate, plus initial metallurgical and mining studies.
 - Phase 3 (Earn-in to 80%)(Optional) – funding of all studies required for completion of a 43-101 compliant Feasibility Study.
 - Subsequent to the completion of Phase 3, Capella will either be required to contribute to future exploration and development costs on a pro-rata basis or will dilute out to a 1.5% NSR. Tümad will hold a buy-back right on the 1.5% NSR for USD 5,000,000 until anytime up to the commencement of commercial production.
- With respect to the Company's Northern Finland Au-Cu projects (Killero E, Killero W, Saattopora W, Jolhikko, and Keisunselka)(Cullen Joint Venture; ASX: CUL), Tümad has been granted an earn-in on the following terms:
 - Phase 1 (Earn-In to 30%) – Tümad will be required to invest USD 1,250,000 in exploration expenditures (including a minimum 4,000m of core drilling) during the First Year after the signing of the Definitive Agreement. This investment is deemed to be the minimum investment commitment. Should Tümad then elect not to continue on to Phase 2, Tümad's interest in the project will revert to a 1% NSR.
 - Phase 2 (Earn-in to 51%)(Optional) – Tümad will be required to invest a further USD 2,500,000 in exploration expenditures, and which is expected to include an additional 8,000m of infill and step-out drilling.
 - Phase 3 (Earn-in to 80%*)(Optional) – funding of Feasibility-level technical studies
 - Subsequent to the completion of Phase 3, Capella will either be required to contribute to future exploration and development costs on a pro-rata basis or will dilute out to a 1.5% NSR. Tümad will hold a buy-back right on the 1.5% NSR for USD 5,000,000 until anytime up to the commencement of commercial production.

The Phase I investments indicated for both the Norwegian and Finnish projects are deemed mandatory, with further exploration being undertaken purely at Tümad's discretion and based on positive technical results. Should Tümad elect to withdraw from either project at the end of the First Year (Phase I), then it shall retain a 1% NSR on the project.

During the Joint Venture period, the projects will be operated jointly by Capella and Tümad, with a technical committee overseeing work programs and budget allocations. Tümad will take a lead role in funding and executing exploration programs, whilst Capella will contribute local expertise and regulatory support.

*80% of Capella's interest in the project

Exploration Projects - Finland

Northern Finland Gold-Copper Project (Capella Current 70% Interest)

- Capella's Northern Finland gold-copper project consists of 5 exploration licences / drill permits ("EL's") located within the world-class metallogenic province of the Central Lapland Greenstone Belt ("CLGB").
- The EL's lie immediately adjacent to the to the highly prospective Sirkka Thrust Zone, a regional structural corridor within the CLGB which is associated with numerous occurrences of both gold and base metals. The EL's were applied for prior to the expiry of the original 200 sq. km Aakenus-Katajavaara reservation on December 21, 2022.
- The Company's 5 granted EL's are as follows:
 - *Killero E (Priority 1a)* – former Anglo American PLC¹ project with significant gold-copper Base of Till ("BoT") geochemical anomalies, but never drill tested. A major NE-trending fault zone is also evident cross-cutting the copper-gold anomaly from Capella's high resolution drone magnetic data.
 - *Killero W (Priority 1a)* - second anomalous area, located about 4km W of Killero E, with exceptional gold-copper values derived from historical BoT sampling by AngloAmerican PLC but never drilled
 - *Saattopora W (Priority 1b)* – interpreted W-NW extensions to Outokumpu Oy's former Saattopora gold-copper mining operation
 - *Keisunselka* – interpreted high-grade gold hosted in deformed banded mafic volcanic target
 - *Jolhikko* – gold and base metal targets in complex deformation zone
- Capella currently expects first-pass diamond drilling at the Killero E Au-Cu target to occur during the northern 2025/2026 winter as part of the Tümad exploration agreement. Scout drilling at the Saattopora W target - an extension of Outokumpu Oy's former Saattopora Au-Cu mine – is currently expected to occur after the Killero E drill program. Reconnaissance BoT drill programs are also expected to be undertaken at the Keisunselka and Jolhikko targets.

¹ Historic geochemical results quoted for Killero E and Killero W are derived from Geological Survey of Finland ("GTK") datasets. Whilst Capella has not performed sufficient work to verify the published data reported, the Company believes this information to be considered reliable and relevant.

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

- The Company's Perho lithium-REE reservation in central Finland expired on July 26, 2024. As a direct result of marginal results being returned from reconnaissance exploration activities in the area, no EL's were applied for within the original Perho reservation.

Exploration Projects - Norway

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

- Drill permits were received for a 4,000m/8 hole diamond drill program at the Hessjøgruva Cu-Co-Zn VMS project, with drilling initially planned to be undertaken during summer 2024. Drill hole planning was based on a mixture of both infill and step-out holes on the Hessjøgruva Lens A deposit. However, the Company has received an extension to these drill permits until summer 2025 (and we currently expect these holes to be completed under the recently-signed Tümad agreement).
- The Company filed an NI 43-101-compliant technical report for the Hessjøgruva project on September 8, 2022. This technical report was prepared by GeoVista Aktiebolag ("GeoVista") and provided a summary of all exploration activities completed to date at Hessjøgruva, including the 12,035m of historical diamond drilling that was undertaken during the 1970's. A copy of this technical report is available under Capella's profile on SEDAR (www.sedar.com) and on the Company's website (www.capellaminerals.com).
- Capella's mineral claims in the Hessjøgruva-Kongensgruve area include the original mining claims at Hessjøgruva plus a further 79 sq. km of exploration claims within the broader district. The central portion

of the Kongensgruve claim block lies approximately 6km east of the Hessjøgruva project and contains a series of known Cu-Co-Zn occurrences (including Rødalen, Fjellsjoen, Kongensgruve, and Muggruva), in addition to a former mineral processing facility and tailings dam.

- An advance royalty payment of \$30,000 (for 2023) was made to EMX Royalty Corp. (TSXV/NYSE: EMX)(“EMX”) as per the terms of the amended (November 2020) acquisition agreement for the Kjølvi project. On August 31, 2024, Capella advised EMX Royalty Corp. of its intention to return the Kjølvi claim block to EMX due to limited upside / economic potential as determined by the 2023 drill program. Discovery focus in the District will return to the core Hessjøgruva-Kongensgruve target areas.

Løkken Cu-Co-Zn District, Trøndelag County (10% Capella – 90% Teako)

- On March 20, 2025, the Company announced that Teako Minerals Corp. (CSE: TMIN)(“Teako”), the Company’s strategic partner at the expanded Løkken Cu-Co-Zn VMS project in central Norway, had initiated a scout diamond drill program on the Åmot and Høydal Cu-Co-Zn targets. The Åmot target is a 2km-long “buried” VMS target hosted within favourable stratigraphy for VMS-type deposits and located just 5km E of the former Løkken copper mining operations. The Høydal target lies between Åmot and Løkken. Only two drill holes were able to be completed in the limited time under the current drill permits; additional drilling is currently planned to be undertaken during the northern winter 2025 / 2026.
- On August 19, 2024 the Company announced it had executed an Agreement with Teako Minerals Corp pursuant to which Teako acquired a 90% interest in Capella’s Løkken Cu-Co-Zn project. In accordance with the Agreement, Capella received a combination of cash and common shares in Teako on August 30, 2024, a firm commitment by Teako to carrying out drilling on the Åmot target and bringing additional Cu-Co-Zn targets to drill-ready status, with Capella retaining a non-dilutable 10% carried interest on the Løkken project through to commercial production.

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

- i) Capella received \$ 350,000 in cash and 2,500,000 common Teako shares (completed).
- ii) Teako to commit to drilling the Åmot target with new funds raised within twelve months of signing the Agreement, in addition to advancing at least two further targets to drill-ready status within 24 months from signing (in progress).
- iii) Teako to pay Capella a further \$ 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.

- Advance royalty payments of \$30,000 and \$35,000 (for 2023 and 2024, respectively) were made to EMX Royalty Corp (TSXV/NYSE: EMX), as per the terms of the amended (November 2020) acquisition agreement for the Løkken project.

Canadian Project Divestitures

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

- Capella and Joint Venture partner Agnico Eagle Mines Limited (TSX-NYSE: AEM) (“Agnico”) initiated a formal strategic review of the Domain gold project in Manitoba in 2024, and this resulted in the Company selling its interest in the project to TSXV-listed ONGold Resources Ltd during December, 2024. Other than a conditional future cash payment of \$ 148,000 upon the commencement of future production, the Company holds no further interest in the Domain project.

Argentine Project Divestiture

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

- Capella announced on May 21, 2024, that the Company and Austral Gold Ltd (ASX: AGD; TSXV: AGLD) (“Austral”) had entered in to a sales agreement with Unico Silver Ltd. (ASX: USL) (“Unico”) through which Unico would acquire a 100% interest in the Sierra Blanca gold-silver project in Argentina in return for a consideration in Unico common shares. The Sierra Blanca acquisition was approved by Unico shareholders on July 9, 2024, and the deal subsequently closed on July 24, 2024. The USL common shares received by Capella were sold on September 27, 2024, for a net consideration of \$201.492.
- Prior to the sales agreement with Unico, Austral had completed its Years 1 and 2 exploration expenditures (total USD300,000) at Sierra Blanca and had therefore earned-in to a 51% interest in the project. However, Austral failed to meet its Year 3 obligations (USD400,000 in exploration expenditures before September 15, 2023, including a minimum of 2,000m of core drilling) and therefore remained at a 51% ownership level.

Other

As at September 29, 2025, Capella held common shares in the following listed corporations:

Company	Shares	Status	% Issued Shares
Teako Minerals (CSE: TMIN)	3,500,000	All shares free trading	3.6%
Grit Metals Corp. (TSXV: FIN)	408,330	All shares free trading as of the date of this report	<1%

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

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

Details of the Company's shareholdings and related escrow periods are provided below:

- **Grit Metals Corp. (formerly European Energy Metals Corp.) (TSXV: FIN) Shareholdings** – the Company has received the following share allocations from Grit Metals Corp.:
 - On March 15, 2024, the Company received 150,000 FIN common shares as part of the Year 1 anniversary commitments relating to the Central Finland Li-REE project earn-in agreement. These shares were subject to a 4 month regulatory hold until July 13, 2024, and were subsequently sold by the Company between November 5, 2024, and January 16, 2025.
 - A further 1,100,000 FIN common shares were received on April 23, 2024, in relation to FIN's agreed acquisition of a 100% interest in the Central Finland Li-REE project. These shares had voluntary hold periods as per following schedule: 366,670 shares were subject to hold until September 18, 2024; 366,665 shares were subject to hold until April 18, 2025; and 366,665 shares were subject to hold until September 18, 2025. A total of 841,670 FIN shares were sold between February 18, 2025, and September 9, 2025.
 - As at September 29, 2025, the Company held 408,330 common shares in FIN.
- **Teako Minerals Corp. (CSE: TMIN) Shareholdings** – the Company has received the following share allocations from Teako Minerals Corp.:
 - On November 15, 2023, the Company received 1,000,000 TMIN common shares as part of the agreement signed with Teako in relation to the Vaddas-Birtavarre properties. These shares were subject to a 4 month regulatory hold and are presently free trading.
 - On August 28, 2024, the Company received a further 2,500,000 common TMIN shares as part of the divestiture of a 90% interest in the Løkken project. These shares had voluntary hold periods as per the following schedule: 833,334 shares were subject to hold until December 29, 2024; 833,333 shares were subject to hold until April 28, 2025; and a further 833,333 shares were subject to hold until August 28, 2025.
 - As at September 29, 2025, the Company held 3,500,000 shares in TMIN.
- **Prospector Metals Corp. (TSXV: PPP) Shareholding** – On April 10, 2024, Capella was issued 1,000,000 Prospector Metals Corp. shares as partial consideration for the acquisition of a 100% interest in the Savant Gold Project. These shares were subject to a 4 month regulatory hold and were subsequently sold on September 24, 2024.
- **Unico Silver Ltd. (ASX: USL) Shareholding** – On July 24, 2024, the Company received net 1,132,750 common shares in Unico Silver Ltd. as consideration for the sale of its interest in Argentine subsidiary Sierra Blanca SA. These shares were sold by the Company on September 27, 2024.

Proposed Transactions

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

OUTLOOK

The Company expects to continue managing and advancing exploration activities on its portfolio of gold-copper projects in Finland and copper-cobalt projects in Norway. In addition, the Company continues to evaluate new high-grade Au-Cu opportunities with the potential to complement the current portfolio of assets. The volatility of stock markets and precious and base metals have eroded investor confidence to the extent that both advanced and junior companies have had a difficult time obtaining equity financing on reasonable terms. The Company is currently evaluating all financing options available to the Company at both the corporate and project level. The Company is seeking additional equity funding or alternative new project financing options to fund its ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding or securing alternative financing options.

Qualified Persons and Disclosure Statement

All information relating to exploration activities has been reviewed by Eric Roth, Chief Executive Officer and Executive Director of Capella Minerals Limited and presented in accordance with Canadian regulatory requirements as set out by National Instrument ("NI") 43-101. Mr Roth holds a Ph.D. in Economic Geology from the University of Western Australia, is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), a Fellow of the Society of Economic Geologists (SEG), and a Qualified Person under NI 43-101. Mr Roth has 35 years experience in international minerals exploration and mining project evaluation.

Exploration and Evaluation Expenditures

	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	30,000	30,129	30,845	22,959	88,259	-	-	-	-	202,192
Camp, travel, administration and other costs	35,220	32,051	2,366	-	8,009	18,530	1,837	-	-	98,013
Geologists and data collection	129,335	151,626	18,297	-	43,391	34,760	39,132	-	-	416,541
Drilling and assay costs	-	2,348	-	-	-	-	-	-	-	2,348
Farm out recoveries	-	-	-	(79,939)	-	-	-	(36,750)	-	(116,689)
Sale of project	-	-	-	(34,245)	-	-	-	(777,143)	(498,103)	(1,309,491)
Provision for impairment /write down of exploration costs	(1,443,946)	(2,552,519)	-	-	-	-	(47,228)	-	-	(4,043,693)
Foreign exchange movement	49,094	87,995	3,585	3,938	(24,811)	(229)	(1,826)	5,187	-	122,933
Balance May 31, 2024	555,550	-	121,983	-	644,090	309,530	-	-	-	1,631,153
Acquisition and tenure	38,000	-	73,520	-	118,241	-	-	-	-	229,761
Camp, travel, administration and other costs	-	-	-	-	9,518	-	-	-	-	9,518
Geologists and data collection	43,755	-	33,789	-	81,333	-	-	-	-	158,877
Sale of project	(503,650)	-	-	-	-	-	-	-	-	(503,650)
Provision for impairment /write down of exploration costs	(85,964)	-	-	-	-	(309,530)	-	-	-	(395,494)
Foreign exchange movement	4,209	-	2,588	-	54,801	-	-	-	-	61,598
Balance May 31, 2025	51,900	-	231,880	-	907,983	-	-	-	-	1,191,763

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

OVERALL PERFORMANCE

During the twelve months ended May 31, 2025, the Company incurred a loss of \$1,119,840 (May 31, 2024: \$5,746,150). This loss was due predominantly to ongoing management and administrative expenses incurred of \$631,551 write off of exploration costs of \$422,572, recognition of a realised loss on the sale of investment shares of \$109,281 a loss on disposal of 90% of the Company's Lokken project of \$36,775 and unrealized loss of \$43,668 recognised on financial assets held at May 31, 2025. These costs were offset by the recognition of a gain on divestiture of the Company's 90% interest in Sierra Blanca of \$313,292 and a gain on sale of the Company's interest in the Domain project of \$44,400.

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

FINANCIAL POSITION

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

	May 31, 2025	May 31, 2024	May 31, 2023
	\$	\$	\$
Current assets	61,239	158,802	136,151
Non-current assets	1,393,594	2,081,079	6,432,086
Current liabilities	(1,843,728)	(1,495,493)	(1,141,503)
Non-current liabilities	-	-	(247,201)
Shareholders' equity	(388,895)	744,388	5,179,533

Included in current assets at May 31, 2025 is cash of \$33,629 and prepaid expenses of \$14,498. The movement in current assets is due to cash received from the sale of the Company's Lokken project and Domain project and cash receipted from the sale of investment shares received, offset by expenditure on the Company's exploration projects and payment of corporate costs and payables owing incurred to support the Company's operations.

The non-current assets balance has decreased by \$687,485 due predominantly to the sale of 90% of the Company's interest in the Lokken project and exploration costs of \$395,494 expensed during the period offset by exploration expenditure incurred on the remaining projects located in Norway and Finland; and a decrease in financial assets due to fluctuations in share price and the sale of investment shares sold during the period. Exploration and evaluation expenses have also been impacted by movements in exchange rates between NOK and EUR and the Company's reporting currency CAD.

Current liabilities of the Company include accruals, accounts payable and other liabilities totalling \$1,843,728. These balances can fluctuate from period to period depending on the level of exploration activity and corporate activities undertaken by the Company. At May 31, 2025 this liability balance mainly comprise of payables related to exploration activities of \$416,481, directors' fees payable of \$151,294, related party and management payables for accrued fees of \$604,132, audit and tax fee accrual of \$82,890 and other accounts payable related to general administrative and management expenditure of \$17,331. Current liabilities balance also includes the deferred consideration payable recognised on acquisition of Cullen Finland Oy of \$68,698 (which was paid in full subsequent to the year end), a balance of \$233,019 for the convertible promissory note entered into with a non-executive director for USD150,000 and \$105,600 of funds receipted in advance of the closing of the private placement., these shares were issued subsequent to the year end.

RESULTS OF OPERATIONS

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

	May 31, 2025	May 31, 2024
	\$	\$
Management and administrative fees	631,551	592,528
Shareholder information and meetings	66,531	98,850
Regulatory and transfer agent fees	65,288	54,083
Office and general	51,216	87,758
Professional fees	26,680	11,611
Travel	18,712	-
Provision for impairment – deferred exploration & evaluation costs	395,494	
General exploration costs	27,078	34,092
Realised loss on sale of financial assets	109,281	34,550
Loss on disposal of asset	36,775	615,091
Unrealized loss on financial assets	43,668	22,000
Foreign exchange loss/(gain)	(18,869)	26,062
Interest	17,638	9,513
Other	3,480	17,022
Deferred consideration payable interest	3,009	11,004
Share-based payments	-	39,017
Share of losses investment in associate	-	49,119
Contractual obligation interest	-	157

Discussion of operations

Twelve months ended May 31, 2025 and May 31, 2024.

During the year ended May 31, 2025 (“current twelve-month period”), the Company recorded a net loss of \$1,119,840 compared to a net loss of \$5,746,150 for the twelve-month period ended May 31, 2024 (“comparative twelve-month period”).

This loss was due predominantly to management and administrative expenses incurred of \$631,551 (detailed further below), regulatory and transfer fees incurred of \$65,288, shareholder information and meetings of \$66,531, exploration and evaluation costs of \$422,572, expensed during the current period, realised loss on sale of financial assets of \$109,281 and loss on disposal of Sierra Blanca of \$36,775. These costs were offset by the recognition of a gain on divestiture of the Company’s 90% interest in Sierra Blanca of \$313,292 and gain on disposal of the Company’s interest in the Domani project of \$44,400.

These costs are detailed further below.

Management and administrative fees have increased in the current twelve-month period due mainly to increased audit fee and Scandinavian accounting costs being expensed to administrative costs rather than capitalised exploration expenditure.

Regulatory and transfer agent fees have increased from the comparative twelve-month period due to fees incurred in relation to the filing of the Company’s stock option plan and costs associated with the share consolidation undertaken in December 2024.

Shareholder information and meetings have decreased by \$32,319 due to a decrease in attendance at investor conferences and a general decrease in investor relation activities being undertaken as the Company looked to reduce its corporate costs.

Office and general costs have decreased by \$36,632 consistent with general decrease in activities by the Company during the period.

Professional fees have increased from the comparative period due to legal fees incurred as advice was sought in relation to the Company's position on the NickelX transaction and the various asset divestitures.

Travel costs have increased due to additional corporate travel required in relation to asset divestitures and attendance at investor conferences during the period.

The Company expensed \$85,964 in exploration and evaluation costs in Norway following its divestiture of 90% interest in the Lokken project, write off of \$309,530 in relation to the Katajavaara project .

Realized losses on financial assets have increased due to the sale of investment shares held and sold and movements in share prices of those investments.

Unrealized losses on financial assets, have increased from prior year due to movements in share price and quantum of investment shares held from one period to the next.

The Company recognised a loss on disposal of its interest in Sierra Blanca during the period and a decrease in share of losses recorded from the comparative period as the Company's interest in Sierra Blanca was held as an asset for sale prior to its divestiture.

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

The Company has recognised interest of \$17,638 related to the promissory note entered into in the current twelve-month period.

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

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

SUMMARY OF QUARTERLY RESULTS

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

Period	Revenues \$	Net profit (loss) for the period \$	Net profit/(loss) per share for the period- basic \$	Net profit/(loss) per share for the period- diluted \$
Three months ended May 31, 2025	Nil	(688,117)	(0.03)	(0.03)
Three months ended February 28, 2025	Nil	(136,342)	0.00	0.00
Three months ended November 30, 2024	Nil	(280,396)	0.00	0.00
Three months ended August 31, 2024	Nil	(14,985)	0.00	0.00
Three months ended May 31, 2024	Nil	(4,700,588)	(0.03)	0.00
Three months ended February 28, 2024	Nil	(525,595)	0.00	0.00
Three months ended November 30, 2023	Nil	(283,537)	0.00	0.00
Three months ended August 31, 2023	Nil	(236,430)	0.00	0.00

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

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

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

The Company's net loss of \$688,117 for the fourth quarter of fiscal year 2025 has increased in relation to prior comparative periods. Due mainly to the write off of Katajavaara project of \$309,530, accrual of management and non-executive director fees, attendance at investor conference with associated travel costs and travel costs associated with the divestiture of exploration assets. Costs recognised have also been impacted by the realised losses recognised on the sale of shares undertaken in the period and the recognition of unrealised losses/gains on remaining share held, as well as foreign exchange fluctuations.

The Company's net loss of \$136,342 for the third quarter of fiscal year 2025 has reduced in relation to prior comparative periods. Expenses have decreased from prior periods with reductions in management fees and cessation of non-executive fees being charged in the current period and a reduction in shareholder information and meetings and travel costs due to less investor relations activities being undertaken. Regulatory and transfer fees have increased due to filing costs associated with the share consolidation undertaken by the Company in the current period. Office and general costs have decreased in line with a reduction in the Company's activities in comparison to prior periods. Write off of exploration costs have decreased as the Company has reduced its activities in the current period. Share based payments expense have also reduced as a result of the cost for options issued being recognised over the vesting period of the options issued with no options being issued in the current period. Other costs have remained relatively consistent when compared to prior periods. Professional fees have increased in the current period due to legal assistance provided in relation to the sale of the Company's interest in the Domain project Losses recognised on the sale of financial assets have increased due to movement in share prices of investments held and the election of the Company to sell equity shares received during the period as a result of its several divestitures. This loss was offset by the gain on sale of the Company's interest in the Domain project of \$44,400.

The Company's net loss of \$280,396 for the second quarter of fiscal year 2025 is consistent with prior comparative periods. Expenses have decreased from prior periods with reductions in management fees and non-executive fees charged in the current period and a reduction in shareholder information and meetings and travel costs due to less investor relations activities being undertaken. Regulatory and transfer fees have increased mainly due to filing costs associated with the Company's stock option plan. Other costs have remained relatively consistent when compared to prior periods, with the exception of travel costs that have reduced a in line with reduced investor relation activities cross the comparative periods; and impairment costs recognized over exploration and evaluation costs which have

fluctuated from period to period, along with losses recognised on the sale of the Company's various projects as a result of the various divestments of assets completed in prior periods. Share based payments expense have also reduced as a result of the cost for options issued being recognised over the vesting period of the options issued with no options being issued in the current period.

The Company's net loss of \$14,985 for the first quarter of fiscal year 2025 has decreased from prior comparative periods due mainly to the gain of \$313,292 recognised on the sale of the Company's interest in Sierra Blanca during the current period offsetting expenses incurred during the period. Expenses have remained relatively consistent when compared to prior periods, with the exception of travel costs that have reduced across the comparative periods and management and administrative fees that have reduced in the current period. Impairment costs recognized over exploration and evaluation costs has fluctuated from period to period, along with losses recognised on the sale of the Company's various projects as a result of the various divestments of assets completed in prior periods.

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

The Company's net loss of \$525,595 for the third quarter of fiscal year 2024 remains relatively consistent with the preceding quarters. The net loss recorded for the current quarter is due mainly to management and administrative fees incurred of \$140,215 required to support the ongoing management and administrative activities of the Company. These costs have decreased from the prior period comparative quarter due to the bonus paid to the CEO in Q2 2023, this decrease has been offset by increased monthly fees paid to senior management reflecting increased administrative work due to the expansion of the Company's portfolio from that period. Interest expense has increased from prior quarters due to the interest recognised on the related party promissory note balance. Share based payments have reduced from prior quarters due to the recognition of the cost over the relevant vesting period. All options are now fully vested. All other costs remain relatively consistent with preceding quarterly results. The Company also recorded a provision totalling \$250,000 recognised against the Vaddas-Birtavarre project and Euolithium project.

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

The Company's net loss of \$236,430 for the first quarter of fiscal year 2024 remains relatively consistent with the preceding quarters. The net loss for the current quarter is due mainly to management and administrative fees incurred of \$135,660 required to support the ongoing management and administrative activities of the Company. These have

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

SEGMENT INFORMATION

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

	May 31, 2025	May 31, 2024
	\$	\$
Norway	283,780	677,533
Finland	907,983	953,620
	1,191,763	1,631,153

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2025 the Company had cash of \$33,629. The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company has incurred an accumulated deficit of \$26,736,171 at May 31, 2025 and has no current source of revenue. It is important to note the Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. In order to continue normal course of operations the Company is seeking additional equity funding, or alternative options, to fund ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding, or in securing alternative financing options. 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.

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

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

Operating Activities

During the twelve months ending May 31, 2025, the Company used \$424,190 (comparative twelve-month period – \$471,875) of cash to fund the ongoing operating activities of the Company and make payment of creditor balances owing. The cash used in operations reflects the loss for the period of \$1,119,840 (comparative twelve-month period loss: \$5,746,150 adjusted for the changes in working capital items such as accounts receivable and accounts payable and non-cash items. Non-cash items include unrealized loss on investment held at period end of \$43,668, realised loss recognised on financial assets of \$109,821, write down of exploration and evaluation costs of \$422,572 recorded in the period, loss on sale of asset of \$36,775 and a gain on sale of the Company's 90% interest in Sierra Blanca of \$313,292 and gain recognised on the sale of the Company's interest in the Domain project of \$44,400.

Investing Activities

During the twelve months ending May 31, 2025, the Company incurred a net cash inflow in investing expenditures of \$339,951 (comparative twelve month period outflow – \$938,631) due to the receipt of cash of \$350,000 from the sale of the Company's 90% interest in the Lokken project during the period, \$44,400 receipted in relation to the sale of the Company's interest in the Domain project, net proceeds from sale of investment shares held of \$391,613 offset by expenditure incurred on exploration activities related to its Scandinavian projects of \$373,651 and anniversary payment to Cullen of \$72,411.

Financing Activities

During the twelve months ending May 31, 2025, the Company received \$105,600 in advance in relation to the the private placement announced on 3 December 2024.

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

COMMITMENTS AND CONTINGENCIES

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 C\$ 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 (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 (in progress).
- 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 were required to be made to Cullen:

- USD 100,000 on the third anniversary of the Closing Date (USD50,000 paid in the year ended May 31, 2025 with the balance of USD 50,000 paid subsequent to May 31, 2025).

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.

OFF BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING SHARE DATA

On December 19, 2024 the Company received TSXV Exchange approval for a previously announced 6:1 share consolidation. As a result, the Company's previous 236,985,195 common shares were consolidated on a 6 old for 1 new basis giving the Company 39,497,532 common shares outstanding post-consolidation. The Company commenced trading on a post-consolidated basis on December 23, 2024, under a new CUSIP 13960M201 and ISIN CA13960M2013.

- i) Outstanding share data as at September 29, 2025 is as follows:

	Price	Expiry date	Number of common shares
Common shares issued and outstanding			41,609,532
<i>Securities convertible into common shares</i>			
Warrants	\$0.36	November 9, 2025	3,934,028
Warrants	\$0.07	July 24, 2027	1,056,000
Fully Diluted			46,599,560

The Company received \$105,600 in advance of the closing of the private placement on July 24, 2025 when it issued 2,112,000 units and 1,056,000 share purchase warrants.

- ii) Movements in stock options during the years ended May 31, 2025 and May 31, 2024:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2023	1,840,833	\$0.81
Expired/cancelled/forfeited	(1,174,167)	\$0.93
Balance May 31, 2024	666,667	\$0.60
Expired	(666,667)	0.60
Balance May 31, 2025	-	-

iii) Movements in warrants during the years ended May 31, 2025 and May 31, 2024:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, May 31, 2023	12,830,821	\$0.72
Expired	(10,426,377)	\$0.72
Issued	3,934,028	\$0.36
Balance May 31 2024	6,338,472	\$0.50
Expired	(2,404,444)	\$0.72
Balance May 31, 2025	3,934,028	\$0.36

RISKS AND UNCERTAINTIES

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

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

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

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

Exploration Stage Company

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

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

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

Political or economic instability in countries where the Company operates

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

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

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

Competition

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

Title to Property

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

Personnel

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

Commodity Price Risk

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

TRANSACTIONS WITH RELATED PARTIES

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

a) Related party transactions

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

	May 31, 2025	May 31, 2024
	\$	\$
Management fees	400,920	398,733
Share-based payments	-	18,533
(i) Consulting costs relate to ER Global (CEO) - \$198,000, Marketworks (Company Secretary) \$52,800, and Genco Professional Services (CFO) \$94,560 and non-executive director fees of \$55,560.		

b) Related party balances recorded in current liabilities

	May 31, 2025	May 31, 2024
	\$	\$
Glen Parsons- Non-executive director	75,647	47,733
Perihelion Inc – Mary Little - Non-executive director	328,443	261,849
Eric Roth - CEO	291,395	174,679
Genco Professional Services- S Cooper – CFO	133,812	78,011
Marketworks Inc. – Kathryn Witter Company Secretary	66,200	26,400

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 \$17,638 (2024 - \$9,513) has been recorded in the year ended May 31, 2025.

The Company had a contractual obligation payable balance to SSL which was extinguished during the period.

Refer to Liquidity and Capital Resources section for further details.

c) Compensation of key management personnel

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

	May 31, 2025	May 31, 2024
	\$	\$
Management fees	400,920	398,733
Share-based payments	-	18,533

- (i) Key management were not paid post-employment benefits or other long-term benefits during the twelve months ended May 31, 2025, and May 31, 2024.

FINANCIAL RISK MANAGEMENT

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

a) Currency Risk

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

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

May 31, 2025	Cash	Receivables	Accounts payable and accrued liabilities	Promissory Note	Deferred consideration payable
	\$	\$	\$	\$	\$
US dollars	222	-	(188,016)	(233,019)	(68,698)
Swedish kroner	-	-	(23,019)	-	-
Euro	25,043	2,364	(78,906)	-	-
Australian dollars	-	-	(133,310)	-	-
Norwegian kroner	645	-	(134,317)	-	-
Great Britain pounds	13	-	(11,060)	-	-

May 31, 2024	Cash	Receivables	Accounts payable and accrued liabilities	Promissory Note	Deferred consideration payable
	\$	\$	\$	\$	\$
US dollars	207	-	(122,609)	(214,116)	(133,369)
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 May 31, 2025 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by \$84,145 (2024: \$69,645).

b) Interest rate and credit risk

Interest risk is the risk that the value of assets and liabilities will change when the related interest rates change. The Company is not currently exposed to interest rate risk. The Company's current financial assets and financial liabilities are not significantly exposed to interest rate risk because either they are of a short-term nature or because they are non-interest bearing. At May, 2025, the Company has a positive cash balance. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at May 31, 2025 and May 31, 2024 the Company did not hold any short-term investments or cash equivalents.

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

The Company has a convertible promissory note with a rate of 8% per annum being applied to the principal.

c) Liquidity Risk

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

Liquidity requirements and the raising of funds are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2025 the Company had cash of 33,629 (May 31, 2024 - \$61,409) to settle current liabilities of \$1,843,728 (May 31, 2024 - \$1,495,493), \$68,698 being the current portion of deferred consideration payable to Cullen Resources (paid in full subsequent to the period end), a promissory note payable to related party of \$233,019 and \$105,600 relating to funds received in advance of the closing of the private placement (share issued subsequent to the period end).

The Company has sought to conserve cash by reducing corporate activities where possible; reducing management fees and halting non-executive directors' fees in order to manage and repay existing trade creditors and employment payables where possible. The Company continues to closely manage liquidity and relies on the financial support of its creditors and employees which enables the Group to defer payments which would otherwise be due and payable. The Company retains investment shares that can be liquidated to fund ongoing costs and debts.

d) Commodity Price risk

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

e) Equity price risk

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

At May 31, 2025 with other variables unchanged a +/- 10% change of the quoted equity investment value would result in a decrease/increase in pre-tax loss of \$22,014 (2024: \$48,875).

CAPITAL MANAGEMENT

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

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

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

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

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

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

(ii) *Valuation of share-based payments*

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

(iii) *Income taxes*

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

(iv) *Non-cash transactions*

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

(v) *Functional currency*

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its incorporated entities Capella Minerals Sweden AB and Capella Minerals Norway AS is the Swedish kroner and Norwegian Kroner respectively. The functional currency 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.

ACCOUNTING STANDARDS

Principles of Consolidation

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

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

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

APPROVAL

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

ADDITIONAL INFORMATION

Additional information relating to Capella is on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

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

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

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

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

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