

# **CAPELLA MINERALS LIMITED**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2025**

**(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

For the three months ended

	Note	August 31, 2025 \$	May 31, 2025 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash		40,071	33,629
Prepaid expenses		13,977	14,498
Receivables	3	20,639	13,112
		<u>74,687</u>	<u>61,239</u>
<b>Non-current</b>			
Exploration and evaluation assets	6	1,217,173	1,191,763
Investment	5	213,312	201,831
		<u>1,430,485</u>	<u>1,393,594</u>
<b>TOTAL ASSETS</b>		<u><b>1,505,172</b></u>	<u><b>1,454,833</b></u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable, accrued & other liabilities	4	1,575,471	1,436,411
Deferred consideration payable	7	33,679	68,698
Convertible promissory note	8	232,553	233,019
Share subscriptions received in advance		-	105,600
		<u>1,841,703</u>	<u>1,843,728</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,841,703</b></u>	<u><b>1,843,728</b></u>
<b>EQUITY (DEFICIENCY)</b>			
Share capital	9	23,860,991	23,776,512
Reserves – warrants	9	516,817	495,697
Reserves – options	9	2,062,684	2,062,684
Reserves – foreign currency translation		(74,693)	(86,230)
Accumulated deficit		(26,805,469)	(26,736,171)
		<u>(439,670)</u>	<u>(487,508)</u>
Non-controlling interests		103,139	98,613
<b>TOTAL EQUITY (DEFICIENCY)</b>		<u><b>(336,531)</b></u>	<u><b>(388,895)</b></u>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>		<u><b>1,505,172</b></u>	<u><b>1,454,833</b></u>
Nature of operations and going concern	1		
Basis of presentation	2		
Commitments and contingencies	14		
Subsequent events	15		
APPROVED ON			
BEHALF OF THE BOARD ON OCTOBER 30, 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 months ended

	Note	August 31, 2025 \$	August 31, 2024 \$
<b>General and administrative expenses</b>			
Management and administrative fees		146,902	114,590
Regulatory and transfer agent fees		10,793	8,081
Office and general		8,684	8,781
Travel		4,369	2,883
Shareholder information and meetings		3,050	6,720
Professional fees		-	5,515
		<b>(173,798)</b>	<b>(146,570)</b>
Loss on sale of financial assets		<b>(31,745)</b>	-
Write off of deferred exploration and evaluation costs and other	6	<b>(4,380)</b>	(85,964)
Interest	8	<b>(4,151)</b>	(2,727)
Proceeds from earn in agreement payment	6	<b>68,564</b>	-
Unrealized income/(loss) on financial assets	5	<b>68,241</b>	(48,841)
Foreign exchange gain/(loss)		7,971	(1,129)
Loss on disposal of assets		-	(36,775)
Deferred consideration payable interest		-	(2,791)
Revaluation -contractual obligation payable		-	(3,480)
Gain on disposal of assets		-	313,292
<b>Loss for the year</b>		<b>(69,298)</b>	<b>(14,985)</b>
<b>Other comprehensive loss</b>			
Foreign currency translation		11,537	39,085
<b>Comprehensive gain/(loss) for the period</b>		<b>(57,761)</b>	<b>24,100</b>
<b>Attributable to:</b>			
Owners of the company		<b>(62,287)</b>	24,056
Non-controlling interests		<b>4,526</b>	44
		<b>(57,761)</b>	<b>24,100</b>
<b>Loss per share – basic and diluted</b>		<b>0.0</b>	<b>0.0</b>
<b>Weighted average number of shares outstanding</b>		<b>40,369,880</b>	39,497,532

-- 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 months ended

		August 31, 2025 \$	August 31, 2024 \$
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Loss for the period		(69,298)	(14,985)
Items not affecting cash:			
Unrealized movement on financial asset	5	(68,241)	48,841
Realised loss on sale of financial assets		31,745	-
Interest		4,151	2,727
Foreign exchange		(7,971)	1,129
Gain on disposal of asset		-	(313,292)
Loss on disposal of asset		-	36,775
Write off deferred exploration and evaluation costs		-	85,964
Deferred consideration payable interest		-	2,791
Revaluation -contractual obligation payable		-	3,480
Changes in non-cash working capital	12	64,996	141,639
		<b>(44,618)</b>	<b>(4,931)</b>
<b>Investing activities</b>			
Proceeds from earn-in agreement payment	6	68,564	-
Net proceeds from sale of financial assets	5	24,015	-
Anniversary payment – Cullen	7	(34,203)	-
Exploration and evaluation costs		(6,287)	(98,046)
Proceeds from disposal of asset		-	350,000
		<b>52,089</b>	<b>251,954</b>
<b>Change in cash</b>		7,471	247,023
<b>Effect of fluctuations in exchange rates on cash</b>		(1,029)	(11,542)
<b>Cash – beginning of period</b>		33,629	61,409
<b>Cash – end of period</b>		<b>40,071</b>	<b>296,890</b>

Refer to Note 12 for supplemental cash flow information

Note there were no financing activities during the periods

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

# Capella Minerals Limited

## Consolidated Statement of Changes in Shareholders Equity (Deficiency)

Expressed in Canadian Dollars

Unaudited

For the three months Ended August 31, 2025

	Share capital (Number of Shares)	Share capital (Amount)	Reserves – Warrants	Reserves – Options	Reserves- Foreign Currency Translation	Accumulated Deficit	Sub total	Non- controlling interests	Total
		\$	\$	\$	\$	\$	\$	\$	\$
<b>May 31, 2024</b>	<b>39,497,532</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>641,146</b>	<b>103,242</b>	<b>744,388</b>
Loss for the year	-	-	-	-	-	(14,985)	(14,985)	-	(14,985)
Foreign currency translation	-	-	-	-	39,085	-	39,085	-	39,085
Movement in non-controlling interest	-	-	-	-	-	-	-	44	44
<b>August 31, 2024</b>	<b>39,497,532</b>	<b>23,776,512</b>	<b>495,697</b>	<b>2,062,684</b>	<b>(38,331)</b>	<b>(25,631,316)</b>	<b>665,246</b>	<b>103,286</b>	<b>768,532</b>
Loss for the year	-	-	-	-	-	(1,104,855)	(1,104,855)	-	(1,104,855)
Foreign currency translation	-	-	-	-	(47,899)	-	(47,899)	-	(47,899)
Movement in non controlling interest	-	-	-	-	-	-	-	(4,673)	(4,673)
<b>May 31, 2025</b>	<b>39,497,532</b>	<b>23,776,512</b>	<b>495,697</b>	<b>2,062,684</b>	<b>(86,230)</b>	<b>(26,736,171)</b>	<b>(487,508)</b>	<b>98,613</b>	<b>(388,895)</b>
Loss for the year	-	-	-	-	-	(69,298)	(69,298)	-	(69,298)
Foreign currency translation	-	-	-	-	11,537	-	11,537	-	11,537
Movement in non controlling interest	-	-	-	-	-	-	-	4,526	4,526
Issue of shares	2,112,000	84,479	-	-	-	-	84,479	-	84,479
Issue of warrants	-	-	21,120	-	-	-	21,120	-	21,120
<b>August 31, 2025</b>	<b>41,609,532</b>	<b>23,860,991</b>	<b>516,817</b>	<b>2,062,684</b>	<b>(74,693)</b>	<b>(26,805,469)</b>	<b>(439,670)</b>	<b>103,139</b>	<b>336,531</b>

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

**Capella Minerals Limited**  
**Interim Condensed Consolidated Financial Statements**  
**For the Three Months Ended August 31, 2025**  
*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 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.

During the year ended May 31, 2025, the Company consolidated its outstanding share capital on a six-for-one basis. The share consolidation has been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on an adjusted basis.

These condensed interim consolidated financial statements for the three months ended August 31, 2025 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 \$26,805,469 at August 31, 2025 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 currently does not have sufficient funds and must obtain additional funding to continue its operations and steps have, and are being taken by the Board in an effort to realise cash address the balance sheet and reposition the company. 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.

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

**2. Basis of Presentation**

These condensed interim consolidated financial statements for the three months ended August 31, 2025, and August 31, 2024 (“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, 2025, 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 months ended August 31, 2025, were approved and authorized for issue by the Board of Directors on October 30, 2025.

**Capella Minerals Limited**  
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For the Three Months Ended August 31, 2025  
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**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
Eurolithium Oy	Finland	100%	Euro

**Significant Accounting Estimates and Judgments**

The preparation of the interim condensed 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, non-cash transaction and functional currency.

Significant estimates and critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

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

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

(ii) Valuation of share-based payments

The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

(iii) Non-cash transactions

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

(iv) Functional currency

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

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**3. Receivables**

	August 31, 2025	May 31, 2025
	\$	\$
HST/GST receivable	19,608	13,079
Other receivables	1,031	33
	<b>20,639</b>	<b>13,112</b>

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

	August 31, 2025	May 31, 2025
	\$	\$
Accounts payable & other liabilities	685,55	658,843
Accrued liabilities	889,918	777,568
	<b>1,575,471</b>	<b>1,436,411</b>

**5. Financial Instruments**

**Categories of financial instruments**

	August 31, 2025	May 31, 2025
	\$	\$
Financial assets		
Fair value through profit or loss ("FVTPL")		
Investments	213,312	201,831
Amortized Cost		
Cash	40,071	33,629
Receivables	20,639	13,112
	<b>274,022</b>	<b>248,572</b>
Financial liabilities		
Amortized cost		
Accounts payable, accrued & other liabilities	1,575,471	1,436,411
Contractual obligation payable		-
Deferred consideration payable	33,679	68,698
Convertible promissory note	232,553	233,019
Share subscriptions received in advance	-	105,600
	<b>1,841,703</b>	<b>1,843,728</b>

During the three months ended August 31, 2025, the Company sold a total of 236,500 Grit Metal Corp ("Grit Metals" previously European Energy) shares for gross proceeds of \$25,250 and incurred fees of \$155 recognizing a realized loss of \$31,745 in the three months ending August 31, 2025. The Company recognized a receivable of \$1,080 as August 31, 2025 related to the sale of Grit Metals shares sold during the period.

As at August 31, 2025, the Company had 460,330 Grit Metals shares valued at \$20,812 included in investments including a unrealized gain of \$8,848 in the three months ending August 31, 2025. The Grit Metals shares held are subject to three staged periods which are removed starting September 18, 2024. The Company recognized a discount of \$39,600 on the shares held for lack of marketability due to the staged hold periods. The discount for lack of marketability is based on a Finnerty model for each of the three staged hold periods and will be removed as the hold periods are removed. The key inputs used in the model are the holding period and volatility over that period. The holding period was 4 months with a volatility of 125%.

Subsequent to the year end, the Company sold a further 223,000 Grit Metals shares.



**Capella Minerals Limited**  
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**5. Financial Instruments (continued)**

At August 31, 2024 the Company held 3,500,000 common shares of Teako Minerals Corp (“Teako”) valued at \$137,500 in relation to the Company’s sale of its 90 % interest in the Lokken, Norway project. Refer to Note 6. The Teako shares were subject to three staged hold periods which were removed starting December 29, 2024. As at August 31, 2025 the shares were valued at \$192,500. The Company recognized a discount of \$20,625 on the shares held for lack of marketability due to the staged hold periods. The discount for lack of marketability is based on a Finnerty model for each of the three staged hold periods and will be removed as the hold periods are removed. The key inputs used in the model are the holding period and volatility over that period. The holding period was 4 months with a volatility of 125%. The Company unwound \$6,893 of recognized discount in the three months ending August 31, 2025 being the third and final hold period which expired during the three months ended August 31, 2025. The Company recognized an unrealized gain of \$52,500 on its Teako shareholding during the three months ending August 31, 2025.

**Fair value of financial instruments**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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

	August 31, 2025	May 31, 2025
	\$	\$
Financial Assets		
Level 1		
Quoted shares	213,312	201,831

The carrying value of cash, receivables, and accounts payable, accrued and other liabilities, deferred consideration 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:

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**5. Financial Instruments (continued)**

<b>August 31, 2025</b>	<b>Cash</b>	<b>Receivables</b>	<b>Accounts payable and accrued liabilities</b>	<b>Promissory Note</b>	<b>Deferred consideration payable</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
US dollars	11,262	-	(220,926)	(232,553)	(33,679)
Swedish kroner	-	3,518	(23,765)	-	-
Euro	25,656	1,282	(87,200)	-	-
Australian dollars	-	-	(164,769)	-	-
Norwegian kroner	956	-	(145,145)	-	-
Great Britain pounds	14	-	(14,188)	-	-

  

<b>May 31, 2025</b>	<b>Cash</b>	<b>Receivables</b>	<b>Accounts payable and accrued liabilities</b>	<b>Promissory Note</b>	<b>Deferred consideration payable</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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)	-	-

At August 31, 2025 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by \$87,954 (2024: \$59,966).

**b) Interest rate and credit risk**

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

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

**c) Liquidity risk**

Liquidity requirements and the raising of funds are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at August 31, 2025 the Company had cash of \$40,071 (May 31, 2025 - \$33,629) to settle current liabilities of \$1,841,703 (May 31, 2025 - \$1,843,728), \$33,679 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 \$232,553 (of which \$59,114 was paid subsequent to the period end).

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**5. Financial Instruments (continued)**

d) Commodity price risk

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

e) Equity price risk

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

At August 31, 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 \$22,472 (2024: \$75,360).

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**6. Exploration and Evaluation Assets**

	<b>Løkken, Norway</b>	<b>Hessjogruva, Norway</b>	<b>Northern Finland, Finland</b>	<b>Katajavaara, Finland</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance May 31, 2024</b>	<b>555,550</b>	<b>121,983</b>	<b>644,090</b>	<b>309,530</b>	<b>1,631,153</b>
Acquisition and tenure	38,000	4,798	-	-	42,798
Geologists and data collection	43,755	-	44,952	-	88,707
Sale of project	(503,650)	-	-	-	(503,650)
Provision for impairment /write down of exploration costs	(85,964)	-	-	-	(85,964)
Foreign exchange movement	4,209	(1,618)	34,847	334	37,772
<b>Balance August 31, 2024</b>	<b>51,900</b>	<b>125,163</b>	<b>723,889</b>	<b>309,864</b>	<b>1,210,816</b>
Acquisition and tenure	-	68,722	118,241	-	186,963
Camp, travel, administration and other costs	-	-	9,518	-	9,518
Geologists and data collection	-	33,789	36,381	-	70,170
Provision for impairment /write down of exploration costs	-	-	-	(309,530)	(309,530)
Foreign exchange movement	-	4,206	19,954	(334)	23,826
<b>Balance May 31, 2025</b>	<b>51,900</b>	<b>231,880</b>	<b>907,983</b>	<b>-</b>	<b>1,191,763</b>
Acquisition and tenure	-	7,622	-	-	7,622
Foreign exchange movement	-	1,985	15,803	-	17,788
<b>Balance August 31, 2025</b>	<b>51,900</b>	<b>241,487</b>	<b>923,786</b>	<b>-</b>	<b>1,217,173</b>

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**6. Exploration and Evaluation Assets (continued)**

**SCANDINAVIAN PROJECTS**

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 which required payment of a non-refundable payment of US\$50,000 (C\$68,564 received) which has been recognised in the Statement of Loss and Comprehensive Loss the three months ending August 31, 2025.

The Definitive Agreement with Tümad required a signing cash payment to Capella of USD 500,000 (received subsequent to the period end), 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.

**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 1,000,000).

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 (USD 50,000 paid subsequent to the year extinguishing the balance in full).

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.

The Company wrote off \$309,530 in relation to the Katajavaara project in the year ended May 31, 2025.

**100% Capella (Norway)**

*Hessjøgruva, Norway*

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

Capella may acquire a 100% interest in the Hessjøgruva Cu-Zn-Co project in return for:

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

Capella accounts for this as a farm in arrangement.

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**6. Exploration and Evaluation Assets (continued)**

**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 (“EMX”) in 2020 and are subject to a 2.5% Net Smelter Royalty (“NSR”) of which 0.5% may be acquired for USD 1,000,000.

On August 19, 2024 the Company executed a Definitive Acquisition Agreement (the “Agreement”) with 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.

As a result of Agreement, the Company recorded a provision for impairment against the Løkken project of \$1,443,946 in the year ended May 31, 2024.

*Terms of the Agreement*

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

- i) Capella received \$350,000 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 \$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 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:

	<u>\$</u>
<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	466,875
Less carrying value	(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 Kjølvi project of \$2,552,519 in the year ending May 31, 2024. As a direct result of exploration activities determining limited upside potential, the Kjølvi project was returned to EMX.

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**6. Exploration and Evaluation Assets (continued)**

**Other**

During the three months ending August 31, 2025 the Company expensed \$4,380 (2024: \$85,964) in exploration costs .

**CANADIAN PROJECTS**

*Domain Project, Manitoba, Canada*

The Domain Project consists of three mineral claims in northern Manitoba. The carrying value of the Domain Project was \$nil.

During the year ending May 31, 2025, the Company sold its interest in the Domain project for an upfront cash payment of \$44,400. An additional payment of \$148,000 is due to the Company upon the commencement of commercial production.

**7. Deferred Consideration Payable**

The Company recognised a deferred consideration payable of \$33,679 in relation to its acquisition from Cullen of its interest in the Northern Finland gold(-copper) projects.

	August 31, 2025	May 31, 2025
	\$	\$
Current	33,679	68,698
	<b>33,679</b>	<b>68,698</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 (\$72,411 paid in year ended May 31, 2025)

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

Reconciliation of movements are as follows:

	August 31, 2025	May 31, 2025
	\$	\$
Opening balance	68,698	<b>133,369</b>
Interest	-	3,009
Anniversary payment	(34,203)	(72,411)
Foreign exchange movements	(816)	4,731
<b>Closing balance</b>	<b>33,679</b>	<b>68,698</b>

During the three months ended August 31, 2025, the Company paid \$34,203 (USD 25,000) in relation to the third anniversary payment with a further amount of \$34,510 (USD 25,000) paid subsequent to the year end with no further amounts required to be paid to Cullen.

**8. Convertible Promissory Note**

	August 31, 2025	May 31, 2025
	\$	\$
Current	232,553	233,019
Non-current	-	-

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**8. Convertible Promissory Note (continued)**

On October 13, 2023 the Company entered into a convertible promissory note with a non-executive director for USD 150,000 (\$205,078) convertible at \$0.12 per share. Interest shall accrue on the unpaid principal amount of this Note at the rate of 8% per annum, payable in quarterly installments on January 13, 2024, April 13, 2024, July 13, 2024, and at the Maturity Date being October 13, 2024, with the exception that the Company shall have the option to satisfy one quarterly payment of interest by the issuance of common shares. The promissory note holder has agreed to extend the maturity date to December 30, 2025. As a result of the extension, the convertible debentures were modified as a non-substantial modification, the Company determined the modification to be immaterial. As the convertible debenture is denominated in USD and is convertible into a variable number of the Company's common shares which are listed in Canadian dollars, the instrument contains an embedded derivative liability. The fair value of the derivative liability is estimated as an immaterial amount and is included in convertible promissory note liability as at August 31, 2025.

An amount of \$4,151 (2024 - \$2,727) was recorded as interest expense on the promissory note during the three months ending August 31, 2025.

Reconciliation of movements are as follows:

	<b>August 31, 2025</b>	<b>May 31, 2025</b>
	<b>\$</b>	<b>\$</b>
Opening balance	233,019	214,116
Interest	4,151	17,638
Foreign exchange movements	(4,617)	1,265
<b>Closing balance</b>	<b>232,553</b>	<b>233,019</b>

**9. Share Capital and Reserves**

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

*Share issuances*

- a) Issued 2,112,000 shares and 1,056,000 share purchase warrants in relation to the closing of a private placement during the period. Each unit of the private placement consists of one common share in the capital of the Company and one- share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.07 per share at any time until expiry, July 24,2027 for a value of \$21,120.

- (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.

- a) Movements in stock options during the year:

	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price</b>
<b>Balance May 31, 2024</b>	<b>666,667</b>	<b>\$0.60</b>
<b>Balance August 31, 2024</b>	<b>666,667</b>	<b>\$0.60</b>
Expired	(666,667)	0.60
<b>Balance May 31, 2025</b>	<b>-</b>	<b>-</b>
<b>Balance August 31, 2025</b>	<b>-</b>	<b>-</b>



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

b) Fair value of options granted

The Company did not issue any stock options during the period ended August 31, 2025 and 2024.

(iii) Share purchase warrants

a) Movements in warrants during the year:

	Warrants Outstanding	Weighted Average Exercise Price
<b>Balance May 31 2024</b>	<b>6,338,472</b>	<b>\$0.50</b>
<b>Balance August 31, 2024</b>	<b>6,338,472</b>	<b>\$0.50</b>
Expired	(2,404,444)	\$0.72
<b>Balance May 31, 2025</b>	<b>3,934,028</b>	<b>\$0.36</b>
Issued	1,056,000	0.075
<b>Balance August 31, 2025</b>	<b>4,990,028</b>	<b>\$0.30</b>

**10. 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.

	<b>August 31, 2025</b>	August 31, 2024
	\$	\$
Management fees	100,091	75,280

b) Related party balances recorded in current liabilities

	<b>August 31, 2025</b>	May 31, 2025
	\$	\$
Glen Parsons- Non-executive director	80,832	75,647
Perihelion Inc. – Mary Little - Non-executive director	333,162	328,443
Eric Roth - CEO	349,519	291,395
Genco Professional Services- S Cooper – CFO	164,769	133,812
Marketworks Inc. – Kathryn Witter Company Secretary	79,420	66,200

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

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

	<b>August 31, 2025</b>	August 31, 2024
	\$	\$
Salaries/Exploration/Consulting (i)	100,091	75,280

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

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**10. Related Party Transactions (continued)**

d) Other

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 USD150,000 (\$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 \$4,151 (2024 - \$2,727) has been recorded in the three months ended August 31, 2025.

**11. Segmented Information**

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

	August 31, 2025	May 31, 2025
	\$	\$
<b>Total non-current long-lived assets</b>		
Norway	293,387	283,780
Finland	923,786	907,983
	<b>1,217,173</b>	<b>1,191,763</b>

**12. Supplemental Cash Flow Information**

	August 31, 2025	August 31, 2024
	\$	\$
<b>Changes in non-cash working capital</b>		
Movement in receivables	(6,527)	(4,568)
Movement in prepaid expenses	(35,719)	14,363
Movement in accounts payable and accrued liabilities	107,242	131,844
	<b>64,996</b>	<b>141,369</b>

**Schedule of non-cash investing and financing transactions:**

Exploration and evaluation expenditures included in accounts payable	435,604	365,693
Interest	4,151	2,727
Deferred consideration payable interest		2,791
Unrealised movement of financial assets	68,241	48,841
Shares received – Unico	-	116,875
Shares received – Teako minerals	-	180,371
Write of exploration and evaluation costs	-	85,964

**Supplementary disclosure of cash flow information:**

Cash paid for interest	-	-
Cash paid for income taxes	-	-

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**13. 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 as well as receiving funds under potential joint venture transactions over the Company's assets. In the management of capital, the Company includes the components of shareholders' equity (deficiency).

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

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

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

**14. 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 \$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 Northern Finland projects.

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 has agreed that any expenditures completed by Tumad on the Northern Finland projects will count towards Capella's earn-in commitments.
- 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 1,000,000).

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

- USD 100,000 on the third anniversary of the Closing Date (fully paid subsequent to August 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.

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**15. Subsequent events**

Subsequent to August 31, 2025 the Company:

- (i) Sold 223,000 Grit Metals shares for proceeds of \$18,810.
- (ii) Paid \$34,510 (USD 25,000) in relation to the anniversary payment to Cullen, fully extinguishing the balance owed. On 2 September 2025, the Company executed a Definitive Earn-In Agreement with Tümad Madencilik Sanayi Ve Ticaret A.Ş. and received a signing payment of USD 500 000 (\$ 691,755). As this agreement was entered into after the reporting date, the transaction is considered a non-adjusting subsequent event under IAS 10. Accordingly, no amounts relating to this payment have been recognised as at August 31, 2025. Shareholder approval to the transaction will be sought at the upcoming shareholder meeting on December 30, 2025
- (iii) On October 8, 2025 announced, subject to TSX Venture Exchange approval, the Company has negotiated a non-brokered private placement of 24,000,000 units at a price of \$0.05 per "Unit". Each "Unit" consists of one common share and one share purchase warrant exercisable for a period of 3 years allowing the holder to acquire an additional common share at a price of \$0.075. On October 9, 2025, the Company announced an increase in its previously announced non-brokered private placement to 30,000,000 Units. The Company has filed for final Exchange approval, however at the date of this report has not closed the financing. Upon receipt of approval the Company will issue 30,000,000 common shares and 30,000,000 warrants exercisable at \$0.075 for a period of 3 years.
- (iv) On October 16, 2025, the Company reached an agreement with two European investors regarding the sale of its 3,500,000 common shares in Teako Minerals Corp. The Teako share transaction was executed at a price of \$ 0.05 per common share, and resulted in the raising of \$175,000 for Capella.