

CAPELLA MINERALS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2026

(Expressed in Canadian Dollars)

NOTICE TO READER

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

Capella Minerals Limited
Condensed Interim Consolidated Statements of Financial Position

Unaudited

Expressed in Canadian Dollars

As at

	Note	February 28, 2026 \$	May 31, 2025 \$
ASSETS			
Current			
Cash		923,323	33,629
Prepaid expenses		47,273	14,498
Receivables and deposits	3	460,118	13,112
		<u>1,430,714</u>	<u>61,239</u>
Non-current			
Exploration and evaluation assets	6	650,279	1,191,763
Investment	5	3,206	201,831
		<u>653,485</u>	<u>1,393,594</u>
TOTAL ASSETS		<u>2,084,199</u>	<u>1,454,833</u>
LIABILITIES			
Current			
Accounts payable, accrued & other liabilities	4	998,543	1,436,411
Unacquitted earn-in liability	6	167,405	-
Deferred consideration payable		-	68,698
Convertible promissory note	8	125,021	233,019
Share subscriptions received in advance		-	105,600
		<u>1,290,969</u>	<u>1,843,728</u>
TOTAL LIABILITIES		<u>1,290,969</u>	<u>1,843,728</u>
EQUITY (DEFICIENCY)			
Share capital	9	25,784,488	23,776,512
Reserves – warrants	9	516,817	495,697
Reserves – options	9	2,280,725	2,062,684
Reserves – foreign currency translation		(54,926)	(86,230)
Accumulated deficit		(27,826,612)	(26,736,171)
		<u>700,492</u>	<u>(487,508)</u>
Non-controlling interests		92,738	98,613
TOTAL EQUITY (DEFICIENCY)		<u>793,230</u>	<u>(388,895)</u>
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		<u>2,084,199</u>	<u>1,454,833</u>

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APPROVED ON

BEHALF OF THE BOARD ON APRIL 29, 2026:

Eric Roth
Director

Glen Parsons
Director

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

Capella Minerals Limited

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited

Expressed in Canadian Dollars

For the nine months ended

	note	Three months ended		Nine months ended	
		February 28, 2026	February 28, 2025	February 28, 2026	February 28, 2025
		\$	\$	\$	\$
General and administrative expenses					
Management and administrative fees		(240,468)	(68,061)	(573,439)	(312,845)
Share-based payments	9	(16,506)	-	(218,041)	-
Shareholder information and meetings		(39,793)	(3,520)	(63,468)	(22,234)
Regulatory and transfer agent fees		(38,538)	(25,561)	(62,037)	(59,446)
Office and general		(13,011)	(10,138)	(36,537)	(28,758)
Travel		(22,870)	(5,698)	(31,467)	(10,689)
Professional fees		(15,377)	(20,704)	(23,167)	(26,679)
		<u>(386,563)</u>	<u>(133,682)</u>	<u>(1,008,156)</u>	<u>(460,651)</u>
Loss on shares for debt	9	(175,071)	-	(175,071)	-
Loss on sale of financial assets	5	(14,285)	(15,657)	(101,013)	(83,239)
Provision against/write off deferred exploration and evaluation costs	6	(32,742)	(17,389)	(61,518)	(110,503)
Foreign exchange gain/(loss)		(11,637)	(8,937)	(30,038)	(30,649)
Loan interest & other	8	(2,819)	(4,234)	(11,106)	(11,226)
Unrealized gain/(loss) on financial assets	5	21,527	(843)	156,956	(49,883)
Gain on farm-out arrangement	6	-	-	137,009	-
Interest income		2,496	-	2,496	-
Loss on sale disposal of assets		-	-	-	(36,775)
Other		-	-	-	(3,480)
Deferred consideration payable interest		-	-	-	(3,009)
Gain on disposal of assets		-	44,400	-	357,692
		<u>(599,094)</u>	<u>(136,342)</u>	<u>(1,090,441)</u>	<u>(431,723)</u>
Loss for the period					
Other comprehensive gain/(loss)					
Foreign currency translation		(24,056)	6,095	(31,304)	44,194
Comprehensive gain/(loss) for the period		<u>(623,150)</u>	<u>(130,247)</u>	<u>(1,121,745)</u>	<u>(387,529)</u>
<i>Attributable to</i>					
Owners of the company		(616,569)	(132,378)	(1,115,870)	(388,233)
Non-controlling interests		(6,581)	2,131	(5,875)	704
		<u>(623,150)</u>	<u>(130,247)</u>	<u>(1,121,745)</u>	<u>(387,529)</u>
Loss per share – basic and diluted	\$	(0.01)	(0.0)	(0.02)	(0.0)
Weighted average number of shares outstanding					
		<u>74,527,389</u>	<u>39,497,325</u>	<u>54,681,177</u>	<u>39,497,325</u>

-- 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 nine months ended

	Note	February 28, 2026 \$	February 28, 2025 \$
Cash provided by (used in):			
Operating activities			
Net loss for the period		(1,090,441)	(431,723)
Items not affecting cash:			
Gain on earn-in arrangement	6	(137,009)	-
Unrealized movement on financial asset	5	(156,956)	49,883
Share-based payments	9	218,042	-
Loss on shares for debt settlement		175,071	-
Realised loss on sale of financial assets	5	101,013	83,239
Write off deferred exploration and evaluation costs	6	61,518	110,503
Foreign exchange		30,038	30,649
Interest	8	11,106	11,226
Gain on disposal of asset		-	(357,692)
Loss on disposal of asset		-	36,775
Other		-	3,480
Deferred consideration payable interest		-	3,009
Changes in non-cash working capital	12	(473,203)	68,022
		(1,260,822)	(392,629)
Investing activities			
Net proceeds from sale of financial assets	5	254,608	338,947
Proceeds from farm out – initial fee	6	760,320	-
Proceeds from farm out – earn-in	6	823,206	-
Exploration and evaluation costs		(937,783)	(336,092)
Anniversary payment – Cullen	7	(68,713)	-
Proceeds from disposal of asset		-	394,400
		831,638	397,255
Financing activities			
Proceeds from issue of shares to be issued		-	121,600
Proceeds from issue of shares	9	1,447,500	-
Share issue costs	9	(14,182)	-
Repayment of loan	8	(59,792)	-
		1,373,526	121,600
Change in cash		944,342	126,226
Effect of fluctuations in exchange rates on cash		(54,648)	(3,075)
Cash – beginning of year		33,629	61,409
		923,323	184,559

Refer to Note 12 for supplemental cash flow information

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

Capella Minerals Limited

Condensed Interim Consolidated Statement of Changes in Shareholders Equity (Deficiency)

Expressed in Canadian Dollars

Unaudited

For the nine months Ended February 28, 2026

	Share capital (Number of Shares)	Share capital (Amount)	Deferred Equity	Reserves – Warrants	Reserves – Options	Reserves- Foreign Currency Translation	Accumulated Deficit	Sub total	Non- controlling interests	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
May 31, 2024	39,497,532	23,776,512	-	495,697	2,062,684	(77,416)	(25,616,331)	641,146	103,242	744,388
Shares to be issued	-	-	121,600	-	-	-	-	121,600	-	121,600
Loss for the year	-	-	-	-	-	-	(431,723)	(431,723)	-	(431,723)
Foreign currency translation	-	-	-	-	-	44,194	-	44,194	-	44,194
Movement in non-controlling interest	-	-	-	-	-	-	-	-	704	704
February 28, 2025	39,497,532	23,776,512	121,600	495,697	2,062,684	(33,222)	(26,048,054)	375,217	103,946	479,163
Issue of shares	-	-	(121,600)	-	-	-	-	(121,600)	-	(121,600)
Loss for the year	-	-	-	-	-	-	(688,117)	(688,117)	-	(688,117)
Foreign currency translation	-	-	-	-	-	(53,008)	-	(53,008)	-	(53,008)
Movement in non controlling interest	-	-	-	-	-	-	-	-	(5,333)	(5,333)
May 31, 2025	39,497,532	23,776,512	-	495,697	2,062,684	(86,230)	(26,736,171)	(487,508)	98,613	(388,895)
Loss for the year	-	-	-	-	-	-	(1,090,441)	(1,090,441)	-	(1,090,441)
Issue of shares- private placement	32,112,000	1,584,480	-	-	-	-	-	1,584,480	-	1,584,480
Issue of shares- shares for debt	3,381,484	338,148	-	-	-	-	-	338,148	-	338,148
Issue of shares- promissory note	995,300	99,530	-	-	-	-	-	99,530	-	99,530
Issue of options	-	-	-	-	218,041	-	-	218,041	-	218,041
Issue of warrants	-	-	-	21,120	-	-	-	21,120	-	21,120
Share issue costs	-	(14,182)	-	-	-	-	-	(14,182)	-	(14,182)
Foreign currency translation	-	-	-	-	-	31,304	-	31,304	-	31,304
Movement in non controlling interest	-	-	-	-	-	-	-	-	(5,875)	(5,875)
February 28, 2026	75,986,316	25,784,488	-	516,817	2,280,725	(54,926)	(27,826,612)	700,492	92,738	793,230

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

Capella Minerals Limited

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended February 28, 2026

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 precious and 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) and Spain.

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 nine months ended February 28, 2026, 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 \$27,826,612 at February 28, 2026, 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.

In September 2025 the Company entered into an earn-in agreement with Tümad Madencilik Sanayi Ve Ticaret A.S. (“Tümad”) As described in Note 6, this agreement will allow Tümad to earn-in to the Company’s Norway and Finland projects by sole funding an agreed amount of exploration. This therefore means the Norwegian and Finnish exploration and minimum expenditure commitments are funded by Tümad, reducing Capella’s obligations in respect of these projects while simultaneously advancing the exploration programs. As operator of the projects, Capella cash calls Tümad in advance, making this project self-sufficient at present.

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 nine months ended February 28, 2026, and February 28, 2025 (“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 condensed interim consolidated financial statements of the Company and its subsidiaries for the nine months ended February 28, 2026, were approved and authorized for issue by the Board of Directors on April 29, 2026.

Capella Minerals Limited

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended February 28, 2026

Unaudited

Expressed in Canadian Dollars

2. Basis of Presentation- continued

Principles of Consolidation

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

Entity	Country of Incorporation	Ownership	Functional Currency
NDR Guernsey Limited	Guernsey	100%	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	100%	Canadian dollar
Capella Minerals Sweden AB (<i>in process of being shutdown</i>)	Sweden	100%	Swedish kroner
Capella Minerals Norway AS	Norway	100%	Norwegian kroner
Cullen Finland Oy	Finland	80%	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) 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

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.

Capella Minerals Limited
Condensed Interim Consolidated Financial Statements

For the Nine Months Ended February 28, 2026

Unaudited

Expressed in Canadian Dollars

2. Basis of Presentation- continued

(v) 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.

(vi) Farm-outs — in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any consideration received directly from the farmee is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the Company as a gain on disposal

3. Receivables

	February 28, 2026	May 31, 2025
	\$	\$
HST/GST receivable	105,067	13,079
Other receivables (i)	45,032	33
Deposit (ii) & (iii)	310,019	-
	460,118	13,112

(i) A balance of \$45,032 has been recorded in other receivables related to the private placement completed in November 2025.

(ii) The Company has recorded \$208,692 in deposits in Norway and Finland using Tumad earn-in funds. Refer to Note 6 for further details

(iii) During the period Company recorded a deposit of \$101,327 related to the Solana Iron Oxide Copper-Gold in Spain as part of its earn-in into the project.

4. Accounts payable, accrued & other liabilities

	February 28, 2026	May 31, 2025
	\$	\$
Accounts payable & other liabilities	558,141	658,843
Accrued liabilities	440,402	777,568
	998,543	1,436,411

5. Financial Instruments

Categories of financial instruments

	February 28, 2026	May 31, 2025
	\$	\$
Financial assets		
Fair value through profit or loss ("FVTPL")		
Investments	3,206	201,831
Amortized Cost		
Cash	923,323	33,629
Receivables	460,118	13,112
	1,386,647	248,572
Financial liabilities		
Amortized cost		
Accounts payable, accrued & other liabilities	998,543	1,436,411
Unacquitted earn-in liability	167,405	-
Convertible promissory note	125,021	233,019
Deferred consideration payable	-	68,698
Share subscriptions received in advance	-	105,600
	1,290,969	1,843,728

Capella Minerals Limited
Condensed Interim Consolidated Financial Statements

For the Nine Months Ended February 28, 2026

Unaudited

Expressed in Canadian Dollars

5. Financial Instruments (continued)

During the nine months ended February 28, 2026, the Company sold a total of 679,500 Grit Metal Corp (“Grit Metals” previously European Energy) shares for gross proceeds of \$80,910 and incurred fees of \$635 recognizing a realized loss of \$82,845 in the nine months ending February 28, 2026.

As at February 28, 2026, the Company had 17,330 Grit Metals shares valued at \$3,206 included in investments including a unrealized gain of \$86,152 in the nine months ending February 28, 2026. 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 Company unwound \$11,410 in the nine months ending February 28, 2026 being the third and final hold period which expired during the current period. The discount for lack of marketability is based on a Finnerty model for each of the three staged hold periods. 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%.

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 gross proceeds of \$175,000 (\$667 of fees were incurred in relation to the share sale) for Capella. The Company recognised a realised loss of \$18,168 in the nine months ending February 28, 2026.

At February 28, 2026 the Company held nil common shares of Teako Minerals Corp (“Teako”). The Teako shares were subject to three staged hold periods which were removed starting December 29, 2024. The Company recognized a discount of \$20,625 on the shares held for lack of marketability due to the staged hold periods. The discount for lack of marketability is based on a Finnerty model for each of the three staged hold periods and were removed in full prior to their sale. 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 \$6,894 of recognized discount in the nine months ending February 28, 2026, being the third and final hold period which expired during the nine months ended February 28, 2026. The Company recognized an unrealized gain of \$52,500 on its Teako shareholding during the nine months ending February 28, 2026.

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:

	February 28, 2026	May 31, 2025
	\$	\$
Financial Assets		
Level 1		
Quoted shares	3,206	201,831

The carrying value of cash, receivables, and accounts payable, accrued and other liabilities and convertible promissory note approximate their fair value due to their nature and market-based interest rates.

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, Australian dollar and Euro. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

Capella Minerals Limited
Condensed Interim Consolidated Financial Statements

For the Nine Months Ended February 28, 2026

Unaudited

Expressed in Canadian Dollars

5. Financial Instruments (continued)

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

February 28, 2026	Cash	Receivables	Accounts payable and accrued liabilities	Promissory Note	Deferred consideration payable
	\$	\$	\$	\$	\$
US dollars	1,896	-	(188,716)	(84,836)	-
Swedish kroner	-	-	-	-	-
Euro	28,853	2,916	(18,814)	-	-
Australian dollars	-	-	(107,851)	-	-
Norwegian kroner	20,106	-	(130,504)	-	-
Great Britain pounds	764	-	(926)	-	-

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)	-	-

At February 28, 2026 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by \$47,484 (2024: \$69,424).

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 February 28, 2026 and February 28, 2025 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 February 28, 2026 the Company had cash of \$923,323 (May 31, 2025 - \$33,629) to settle current liabilities of \$1,290,969 (May 31, 2025 - \$1,843,728), a promissory note payable to related party of \$125,021.

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.

Capella Minerals Limited
Condensed Interim Consolidated Financial Statements
For the Nine Months Ended February 28, 2026
Unaudited
Expressed in Canadian Dollars

5. Financial Instruments (continued)

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 February 28, 2026, with other variables unchanged a +/- 10% change of the quoted equity investment value would result in a decrease/increase in pre-tax loss of \$2,248 (2024: \$31,940).

Capella Minerals Limited
Condensed Interim Consolidated Financial Statements
For the Nine Months Ended February 28, 2026
Unaudited
Expressed in Canadian Dollars

6. Exploration and Evaluation Assets

	Løkken, Norway	Hessjogruva, Norway	Northern Finland, Finland	Katajavaara, Finland	Solana, Spain	Total
	\$	\$	\$	\$	\$	\$
Balance May 31, 2024	555,550	121,983	644,090	309,530	-	1,631,153
Acquisition and tenure	38,000	21,499	43,734	-	-	103,233
Camp, travel, administration and other costs	-	-	9,518	-	-	9,518
Geologists and data collection	43,755	33,789	79,389	-	-	156,933
Sale of project	(503,650)	-	-	-	-	(503,650)
Provision for impairment /write down of exploration costs	(85,964)	-	-	-	-	(85,964)
Foreign exchange movement	4,209	(804)	37,439	355	-	41,199
Balance February 28, 2025	51,900	176,467	814,170	309,885	-	1,352,422
Acquisition and tenure	-	52,021	74,507	-	-	126,528
Geologists and data collection	-	-	1,944	-	-	1,944
Provision for impairment /write down of exploration costs	-	-	-	(309,530)	-	(309,530)
Foreign exchange movement	-	3,392	17,362	(355)	-	20,379
Balance May 31, 2025	51,900	231,880	907,983	-	-	1,191,763
Acquisition and tenure	-	60,886	25,690	-	9,340	95,916
Camp, travel, administration and other costs	-	2,024	-	-	5,671	7,695
Geologists and data collection	-	-	568,177	-	37,485	605,662
Drilling and assay costs	-	-	-	-	357	357
Earn-in – initial fee	-	(380,160)	(380,160)	-	-	(760,320)
Earn-in recovery	-	(55,153)	(593,867)	-	-	(649,020)
Gain on earn-in arrangement	-	137,009	-	-	-	137,009
Foreign exchange movement	-	3,514	17,703	-	-	21,217
Balance February 28, 2026	51,900	-	545,526	-	52,853	650,279

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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 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). On September 2, 2025, the Company executed a Definitive Earn-In Agreement with Tümad Madencilik Sanayi Ve Ticaret A.Ş and received a signing cash payment to Capella of USD 500,000 (\$691,756), 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.

The Company is accounting for this as a farm out arrangement whereby the Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any consideration received is credited against the carrying value of the asset, with any excess recognised as a gain in profit or loss.

In the nine months ended February 28, 2026 the Company received \$760,320 in upfront consideration and \$823,206 in exploration earn-in funding from Tümad Madencilik. Of the earn-in funding received, \$649,020 has been recognised as exploration and evaluation expenditure. The remaining \$167,405 is presented as unacquired earn-in funds.

Earn-in funding received is recognised as a liability until qualifying exploration and evaluation expenditure is incurred. Amounts are applied against exploration and evaluation assets as qualifying costs are incurred. Unacquired earn-in funds represent amounts received under the earn-in arrangement that have not yet been recognised as exploration and evaluation expenditure. These balances include funding applied to working capital items, such as deposits and prepayments, VAT receivable, accounts payable and other timing differences, which will be recognised as exploration and evaluation expenditure as the underlying costs are incurred or allocated to the project.

Reconciliation of unacquired earn-in funds balance:

	2025	2024
	\$	\$
Opening balance	-	-
Cash received	1,583,526	-
Cash received – applied to E&E carrying value	(760,320)	-
Earn-in funds received – E&E	823,206	-
Earn-in recovery – acquitted to E&E	(649,020)	-
Foreign exchange movements	(6,781)	-
Unacquired earn-in funds balance	167,405	-

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6. Exploration and Evaluation Assets (continued)

Capella-Cullen Joint Venture (Finland)

Northern Finland Gold-Copper (formerly Aakenus-Katajavaara Copper-Gold Project) (Capella Initial 80% 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 were 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 (paid)

The Company paid the balance of the final instalment of USD50,000 (C\$68,713) in the nine months ending February 28, 2026 and has now met all of its requirements in relation to payments to Cullen as at November 30, 2025 with the balance fully extinguished.

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.

During the period the Company entered into an farm out arrangement with Tümad and offset \$380,160 (initial fee) and \$593,867 of earn in recovery against Northern Finland project expenditure in the nine months ended February 28, 2026.

During the period, with the completion of the Q1, 2026, work programs at Killerö E, Seisunselka, and Jolhikko, Capella has now met its exploration expenditure commitments under the original Earn-in Agreement with Cullen Resources Ltd and earned-in to an 80% interest in the CLGB projects.

100% Capella (Norway)

Hessjøgruva, Norway

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

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

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

During the period the Company entered into an earn-in arrangement with Tümad and offset \$380,160 (initial fee) and \$55,153 of earn-in recovery against the Hessjøgruva project expenditure. The Company also recognised \$137,009 as a gain on earn-in arrangement in the statement of loss and comprehensive loss in the nine months ending February 28,2026.

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6. Exploration and Evaluation Assets (continued)

Solana Iron Oxide Copper-Gold (“IOCG”) (Spain)

On January 16, 2026 the Company signed a binding Letter of Intent (“LOI”) with Verde Minerals Ltd (“Verde”) with respect to an Earn-In Agreement (the “Agreement”) on the Solana Iron Oxide Copper-Gold (“IOCG”) project in southern Spain. The Solana IOCG project is located 80 km NW of the regional centre / port of Almeria and 20km E of the Alquife iron mine and is a district-scale (35+km in length) project which includes the former producing Cerro de Gallo and Solana high-grade vein-hosted copper-gold deposits and the copper-rich Conde Xiquena haematite mine.

The Solana project consists of a series of laterally-extensive, NNW-trending haematite-rich copper-gold veins hosted dominantly within Proterozoic-age meta-sedimentary rocks and underlain by felsic intrusions. Whilst future exploration programs at Solana will evaluate the resource potential of the extensive high-grade vein systems, the Company’s primary focus will be on the evaluation of buried IOCG-type deposits which the Company interprets to be source for the outcropping copper-gold veins.

Terms of the LOI

- Capella will have the option to acquire an initial 75% interest in the Solana project from Verde’s 100%-owned Spanish subsidiary Cobre y Oro Andaluz (“CyOA”) through the following staged earn-in agreement:
 - Phase I - Capella will have earned-in to an initial 30% interest in the project by completing the minimum exploration commitment (as stipulated by the Andalucia mining authorities) on each granted permit within 12 months. Capella’s minimum spend on the granted Filabres 1 permit for 2026 will be Euro 290,000.
 - Phase II – Capella will have earned-in to a 51% interest in the project by completing the minimum exploration expenditure on each granted permit within 24 months of their respective grant dates.
 - Phase III - Capella will have earned-in to a 75% interest in the project by completing the minimum exploration expenditure on each granted permit, and completing a Pre feasibility Study, within 72 months of their respective grant dates.
 - After Capella has completed the earn-in to 75%, Verde will have the option to either maintain its 25% interest in the project by funding its pro-rata share of project expenditures, or dilute out to a 2% NSR using a standard industry dilution formula.
- Capella to provide Verde with a refundable Euro 70,000 environmental bond to be lodged with the Andalucia government for the granted Filabres 1 permit
- Capella to pay Verde the amount of Euro 115,000 upon signing this LOI. In addition, Capella will make annual payments of Euro 50,000 to Verde upon the first of either i) the relinquishment of all properties that form of this agreement or ii) Capella completes all items required as per Phase III of the Agreement.

The binding LOI with Verde remains subject to acceptance by the TSX Venture Exchange

The Company is accounting for this as a farm-in arrangement. The Company recognises costs as incurred and applies its existing exploration and evaluation asset accounting policy when recording expenditures.

During the period the Company paid earn -in funds of \$175,474 related to the earn-in agreement with Verde Metals for the Solana IOCG project. Of this amount \$52,853 has been acquitted to exploration costs with the balance being unacquitted earn-in funds paid under the earn-in arrangement that have not yet been recognised as exploration and evaluation expenditure. These balances include funding applied to working capital items, such as deposits and prepayments, accounts payable and other timing differences, which will be recognised as exploration and evaluation expenditure as the underlying costs are incurred or allocated to the project.

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.

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6. Exploration and Evaluation Assets (continued)

As a result of Agreement, the Company recorded a provision for impairment against the Lokken 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:

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

The Company will retain 10% interest in the project.

As part of a rationalization of projects, the Company recorded a provision of impairment against its Kjøli project of \$2,552,519 in the year ending May 31, 2024. As a direct result of exploration activities determining limited upside potential, the Kjøli project was returned to EMX and exploration claims expired on April 30, 2025.

Other

During the nine months ending February 28,2026 the Company expensed \$61,518 (2024: \$110,503) in exploration costs of which \$55,415 relates to projects subject to the Tümad earn-in agreement and as a result these project expenses were recorded in the Statement of Profit or Loss in the nine months ending February 28,2026 in line with the Company’s farm out accounting policy .

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.

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7. Deferred Consideration Payable

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

	February 28, 2026	May 31, 2025
	\$	\$
Current	-	68,698
	-	68,698

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 and \$68,713 paid in the nine months ended February 28, 2026)

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:

	February 28, 2026	May 31, 2025
	\$	\$
Opening balance	68,698	133,369
Interest	-	3,009
Anniversary payment	(68,713)	(72,411)
Foreign exchange movements	18	4,731
Closing balance	-	68,698

During the nine months ended February 28,2026, the Company paid \$68,713 (USD 50,000) being the balance of the third and final anniversary payment to Cullen. As at February 28, 2026 the balance has been fully extinguished with no further payments required.

8. Convertible Promissory Note

	February 28, 2026	May 31, 2025
	\$	\$
Current	125,021	233,019
Non-current	-	-

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 accrued 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 had the option to satisfy one quarterly payment of interest by the issuance of common shares. The promissory note holder 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 was included in convertible promissory note liability.

During the period ended February 28,2026 the Company repaid \$59,718 of the note with the issuance of 995,300 shares and the terms of the existing note were amended and restated. The amended note is no longer convertible into equity instruments. The modification was assessed as not substantial under IFRS 9, as there was no significant change in the present value of cash flows and the embedded conversion feature, denominated in a foreign currency, was previously assessed as immaterial. Accordingly, the existing liability was not derecognised. The Note, is unsecured, is not convertible into securities of the Company without Exchange approval and matures on August 31, 2026. The Company intends on retiring the Note after securing new projects and/or securing additional funding. There are no bonus securities or other compensation payable in relation to the Note.

An amount of \$11,106 (2024 - \$11,226) was recorded as interest expense on the promissory note during the nine months ending February 28,2026.

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8. Convertible Promissory Note (continued)

Reconciliation of movements are as follows:

	February 28, 2026	May 31, 2025
	\$	\$
Opening balance	233,019	214,116
Interest	11,106	17,638
Debt conversion	(59,718)	-
Repayment	(59,792)	-
Foreign exchange movements	406	1,265
Closing balance	125,021	233,019

9. Share Capital and Reserves

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

Share issuances

- a) On July 24, 2025 the Company 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.
- b) On November 6, 2025 the Company issued 30,000,000 shares and 30,000,000 share purchase warrants. Each unit of the private placement 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. The Company adopted a residual value method with respect to the measurement of warrants issued as part of the private placement units and allocated nil value to share purchase warrants issued. The Company incurred \$14,182 in share issue costs in relation to the closing of the private placement during the period.
- c) On December 30, 2025 the Company issued 3,381,484 shares at an agreed price of \$0.06 to insiders for outstanding management and non-executive director fees covering the period from November 30, 2022 to August 31, 2025. The shares were measured at fair value on the date of issue and as a result a loss on debt conversion of \$135,259 was recorded in the Statement of Profit or Loss in the nine months ending February 28, 2026.
- d) On December 30, 2025 the Company issued 995,300 shares at an agreed price of \$0.06 in partial payment of an outstanding promissory note. The shares were measured at fair value on the date of issue and as a result a loss on debt conversion of \$39,812 was recorded in the Statement of Profit or Loss in the nine months ending February 28, 2026.

- (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:

	Options Outstanding	Weighted Average Exercise Price
Balance May 31, 2024	666,667	\$0.60
Balance February 28, 2025	666,667	\$0.60
Expired	(666,667)	\$0.60
Balance May 31, 2025	-	-
Issued	4,800,000	\$0.10
Balance February 28, 2026	4,800,000	\$0.10

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9. Share Capital and Reserves (continued)

b) Fair value of options granted

On November 12, 2025, the Company granted an aggregate of 4,500,000 incentive stock options of which 4,366,667 options vested immediately and are exercisable for a period of 3 years at a price of \$0.10 until expiry on November 10, 2028. The remaining 133,333 options vest evenly in May 2026 and November 2026. During the nine months ending February 28, 2026, a total value of \$202,294 (2024 - nil) has been recorded to reserves – options and to share-based payments expense in the nine months ending February 28, 2026. The portion of share-based payment cost recorded is based on the vesting schedule of the options.

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

Risk-free interest rate	2.49%
Expected dividend yield	nil
Expected stock price volatility	118%
Expected life	1.5 years
Expected forfeiture rate	nil

On January 2, 2026, the Company granted an aggregate of 300,000 incentive stock options which vested immediately and are exercisable for a period of 2 years at a price of \$0.10 until expiry on January 2, 2028. During the nine months ending February 28, 2026, a total value of \$15,747 (2024 - nil) has been recorded to reserves – options and to share-based payments expense in the nine months ending February 28, 2026. The portion of share-based payment cost recorded is based on the vesting schedule of the options.

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

Risk-free interest rate	2.49%
Expected dividend yield	nil
Expected stock price volatility	118%
Expected life	1 year
Expected forfeiture rate	nil

c) Stock options outstanding

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry date
4,500,000	4,366,667	\$ 0.10	2.71	10 Nov 2028
300,000	300,000	\$ 0.10	1.84	2 Jan 2028
4,800,000	4,666,667			

The weighted average exercise price of the options exercisable at February 28, 2026 is \$0.10 (2024 - nil).

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9. Share Capital and Reserves (continued)

(iii) Share purchase warrants

a) Movements in warrants during the year:

	Warrants Outstanding	Weighted Average Exercise Price
Balance May 31 2024	6,338,472	\$0.50
Balance February 28, 2025	6,338,472	\$0.50
Expired	(2,404,444)	\$0.72
Balance May 31, 2025	3,934,028	\$0.36
Issued	31,056,000	\$0.075
Expired	(3,934,028)	\$0.36
Balance February 28,2026	31,056,000	\$0.075

The Company issued 1,056,000 share purchase as part of the July 24, 2025 placement, 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 based on the residual value method.

The Company issued 30,000,000 warrants as part of the private placement completed in November 2025, each whole warrant entitling the holder to purchase one additional common share, at an exercise price of \$0.075 and an expiry of November 6, 2028. The 30,000,000 warrants were valued at \$nil based on the residual value method.

On November 9, 2025, a total of 3,934,028 warrants that were issued as part of its November 2023 financing expired.

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.

	February 28, 2026 \$	February 28,2025 \$
Management fees	337,835	173,900
Share-based payments	167,636	-

b) Related party balances recorded in current liabilities

	February 28, 2026 \$	May 31, 2025 \$
Glen Parsons- Non-executive director	7,188	75,647
Perihelion Inc. – Mary Little - Non-executive director	128,029	328,443
Eric Roth - CEO	131,829	291,395
Genco Professional Services- S Cooper – CFO	107,851	133,812
Marketworks Inc. – Kathryn Witter Company Secretary	29,444	66,200
Jefferey Phillips	13,929	-

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10. Related Party Transactions (continued)

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

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

		February 28,2026	February 28,2025
		\$	\$
Salaries/Exploration/Consulting	(i)	337,835	173,900
Share-based payments		167,636	-

- (i) Key management were not paid post-employment benefits or other long-term benefits during the period ended February 28, 2026, and February 28, 2025.

- 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 received). Interest accrued 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 had the option to satisfy one quarterly payment of interest by the issuance of common shares. The promissory note holder had agreed to extend the maturity date to December 31, 2025. During the period ended February 28, 2026, \$59,792 was paid by issue of 995,300 shares in partial payment of this note and the terms of the existing note were amended and restated for USD \$133,177 (inclusive of principal and interest) bearing interest at 8% per annum). Interest of \$11,106 (2024 - \$11,226) has been recorded in the nine months ended February 28, 2026. Refer to Note 8 for further details.
- On November 1, 2025, the Company entered into a consulting agreement with Jefferey Phillips to provide advisory services at USD5,000 per months for 12 months and USD1,000 thereafter. The agreement also requires issue of 300,000 options at \$0.10. The options were issued on January 2, 2026. The Company considers J Phillips to form part of key management personnel.
- On December 31, 2025 4,376,784 shares were issued to insiders of the Company for outstanding management and non-executive director fees (an aggregate 3,381,484 shares, covering periods from November 30, 2022 to August 31, 2025) and in partial payment of promissory note (995,300 shares). In accordance with regulatory and securities law the shares are being issued with a four month plus 1 day hold period trading restriction expiring on April 30, 2026.

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:

	February 28,2026	May 31, 2025
	\$	\$
Total non-current long-lived assets		
Norway	51,900	283,780
Finland	545,526	907,983
Spain	52,853	-
	650,279	1,191,763

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12. Supplemental Cash Flow Information

	February 28,2026	February 28,2025
	\$	\$
Changes in non-cash working capital		
Movement in receivables	(84,520)	(7,698)
Movement in prepaid expenses	(32,775)	(569)
Movement in accounts payable and accrued liabilities	(355,908)	76,289
	(473,203)	68,022

Schedule of non-cash investing and financing transactions:

Exploration and evaluation expenditures included in accounts payable	497,201	344,716
Interest	2,819	11,226
Unrealised movement of financial assets	156,956	49,883
Realised movement of financial assets- gain	101,013	83,289
Gain on farm out arrangement – Tümad	137,009	-
Loss on shares for debt	175,071	-
Shares received – Unico	-	116,875
Shares received – Teako minerals	-	369,741
Write of exploration and evaluation costs	-	110,503
Repayment of contractual obligation payable	-	180,371
Deferred consideration payable interest	-	3,009

Supplementary disclosure of cash flow information:

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

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.

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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 Tümad 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).

Capella has completed all the requirements of the exploration phase of the earn in agreement with the remaining commitment being the PFS, which will be covered by Tümad, should they proceed beyond their minimum Year 1 commitment.

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.

Capella will have the option to acquire an initial 75% interest in the Solana project from Verde’s 100%-owned Spanish subsidiary Cobre y Oro Andaluz (“CyOA”) through the following staged earn-in agreement:

- Phase I - Capella will have earned-in to an initial 30% interest in the project by completing the minimum exploration commitment (as stipulated by the Andalucia mining authorities) on each granted permit within 12 months. Capella’s minimum spend on the granted Filabres 1 permit for 2026 will be Euro 290,000.
 - Phase II – Capella will have earned-in to a 51% interest in the project by completing the minimum exploration expenditure on each granted permit within 24 months of their respective grant dates.
 - Phase III - Capella will have earned-in to a 75% interest in the project by completing the minimum exploration expenditure on each granted permit, and completing a Pre-feasibility Study, within 72 months of their respective grant dates.
 - After Capella has completed the earn-in to 75%, Verde will have the option to either maintain its 25% interest in the project by funding its pro-rata share of project expenditures or dilute out to a 2% NSR using a standard industry dilution formula.
- Capella will make annual payments of Euro 50,000 to Verde upon the first of either i) the relinquishment of all properties that form of this agreement or ii) Capella completes all items required as per Phase III of the Agreement.

15. Subsequent events

No events to be reported.