

CAPELLA MINERALS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2026

(Expressed in Canadian Dollars)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Capella Minerals Limited

Opinion

We have audited the accompanying consolidated financial statements of Capella Minerals Limited (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has a deficit of \$28,360,697 as at May 31, 2026 and has no current source of revenue. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 7 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$618,187 as of May 31, 2026. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

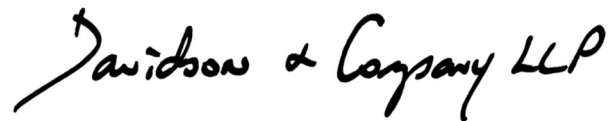
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, Canada

September 28, 2026

Capella Minerals Limited
Consolidated Statements of Financial Position

Expressed in Canadian Dollars

As at

	Note	May 31, 2026 \$	May 31, 2025 \$
ASSETS			
Current			
Cash		418,548	33,629
Receivables and deposits	4	236,234	13,112
Prepaid expenses		54,436	14,498
		<u>709,218</u>	<u>61,239</u>
Non-current			
Exploration and evaluation assets	7	618,187	1,191,763
Investment	6	3,120	201,831
		<u>621,307</u>	<u>1,393,594</u>
TOTAL ASSETS		<u>1,330,525</u>	<u>1,454,833</u>
LIABILITIES			
Current			
Accounts payable, accrued & other liabilities	5	853,453	1,436,411
Convertible promissory note	9	129,014	233,019
Unacquired earn-in liability	7	14,794	-
Deferred consideration payable		-	68,698
Share subscriptions received in advance		-	105,600
		<u>997,261</u>	<u>1,843,728</u>
TOTAL LIABILITIES		<u>997,261</u>	<u>1,843,728</u>
EQUITY (DEFICIENCY)			
Share capital	10	25,784,488	23,776,512
Reserves – warrants	10	516,817	495,697
Reserves – options	10	2,281,502	2,062,684
Reserves – foreign currency translation		27,619	(86,230)
Accumulated deficit		<u>(28,360,697)</u>	<u>(26,736,171)</u>
		249,729	(487,508)
Non-controlling interests	17	83,535	98,613
TOTAL EQUITY (DEFICIENCY)		<u>333,264</u>	<u>(388,895)</u>
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		<u>1,330,525</u>	<u>1,454,833</u>
Nature of operations and going concern	1		
Basis of presentation	2		
Commitments and contingencies	15		
Subsequent events	19		

APPROVED ON

BEHALF OF THE BOARD ON SEPTEMBER 28, 2026:

Eric Roth
Director

Glen Parsons
Director

- See accompanying notes to the consolidated financial statements-

Capella Minerals Limited

Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

For the year ended

		May 31, 2026 \$	May 31, 2025 \$
General and administrative expenses			
Management and administrative fees		(777,597)	(631,551)
Share-based payments	10	(218,818)	-
Shareholder information and meetings		(111,907)	(66,531)
Regulatory and transfer agent fees		(69,059)	(65,288)
Travel		(63,790)	(18,712)
Office and general		(48,170)	(51,216)
Professional fees		(41,073)	(26,680)
		<u>(1,330,414)</u>	<u>(859,978)</u>
General exploration costs	7	(253,327)	(27,078)
Loss on shares for debt	10	(175,071)	-
Loss on sale of financial assets	6	(101,013)	(109,281)
Foreign exchange (loss)/gain		(50,072)	18,869
Interest	9	(13,601)	(17,638)
Unrealized gain/(loss) on financial assets	6	156,869	(43,668)
Gain on earn in arrangement	7	137,009	-
Interest income		5,094	-
Loss on disposal of assets	7	-	(36,775)
Revaluation - contractual obligation payable		-	(3,480)
Deferred consideration payable interest	8	-	(3,009)
Provision for impairment – deferred exploration & evaluation costs	7	-	(395,494)
Gain on disposal of assets		-	357,692
Loss for the year		<u>(1,624,526)</u>	<u>(1,119,840)</u>
Other comprehensive income (loss)			
Foreign currency translation		113,849	(8,814)
Comprehensive loss for the year		<u>(1,510,677)</u>	<u>(1,128,654)</u>
<i>Total loss attributable to:</i>			
Owners of the company		(1,601,337)	(1,113,775)
Non-controlling interests		(23,189)	(6,065)
		<u>(1,624,526)</u>	<u>(1,119,840)</u>
<i>Total comprehensive loss attributable to:</i>			
Owners of the company		(1,495,599)	(1,124,025)
Non-controlling interests	17	(15,078)	(4,629)
		<u>(1,510,677)</u>	<u>(1,128,654)</u>
Loss per share – basic and diluted		(0.03)	(0.03)
Weighted average number of shares outstanding		60,151,209	39,497,532

-- See accompanying notes to the consolidated financial statements -

Capella Minerals Limited
Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

For the year ended

	Note	May 31, 2026 \$	May 31, 2025 \$
Cash provided by (used in):			
Operating activities			
Loss for the year		(1,624,526)	(1,119,840)
Items not affecting cash:			
Write off of deferred exploration and evaluation costs	7	-	422,572
Share-based payments	10	218,818	-
Loss on shares for debt conversion	10	175,071	-
Realised loss on sale of financial assets	6	101,013	109,281
Interest	9	13,601	17,638
Unrealized movement on financial asset	6	(156,869)	43,668
Gain on earn-in arrangement	7	(137,009)	-
Gain on exploration & evaluation projects		-	(313,292)
Loss on disposal of asset		-	36,775
Foreign exchange		-	(19,549)
Revaluation – contractual obligation payable		-	3,480
Deferred consideration payable interest		-	3,009
Changes in non-cash working capital	13	(234,903)	391,528
		(1,644,804)	(424,190)
Investing activities			
Proceeds from farm out agreement	7	2,333,765	-
Net proceeds from sale of financial assets	6	254,608	391,613
Exploration and evaluation costs		(2,054,580)	(373,651)
Payment for acquisition- anniversary payment (Cullen)	7	(68,713)	(72,411)
Proceeds from disposal of asset		-	394,400
		465,080	339,951
Financing activities			
Share subscriptions received in advance		-	105,600
Proceeds from issue of shares	10	1,500,000	-
Share issue costs	10	(14,182)	-
Loan repayment	9	(59,792)	-
		1,426,026	105,600
Change in cash		246,302	21,361
Effect of fluctuations in exchange rates on cash		138,617	(49,141)
Cash – beginning of year		33,629	61,409
Cash – end of year		418,548	33,629

Refer to Note 13 for supplemental cash flow information

- See accompanying notes to the consolidated financial statements -

Capella Minerals Limited

Consolidated Statement of Changes in Equity (Deficiency)

Expressed in Canadian Dollars

For the Year Ended May 31, 2026

	Share capital (Number of Shares)	Share Capital (Amount) \$	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
Loss for the year	-	-	-	-	-	(1,119,840)	(1,119,840)	-	(1,119,840)
Foreign currency translation	-	-	-	-	(8,814)	-	(8,814)	-	(8,814)
Movement in non controlling interest	-	-	-	-	-	-	-	(4,629)	(4,629)
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	-	-	-	-	-	(1,624,526)	(1,624,526)	-	(1,624,526)
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
Share-based payments	-	-	-	218,818	-	-	218,818	-	218,818
Issue of warrants	-	-	21,120	-	-	-	21,120	-	21,120
Share issue costs	-	(14,182)	-	-	-	-	(14,182)	-	(14,182)
Foreign currency translation	-	-	-	-	113,849	-	113,849	-	113,849
Movement in non controlling interest	-	-	-	-	-	-	-	(15,078)	(15,078)
May 31, 2026	75,986,316	25,784,488	516,817	2,281,502	27,619	(28,360,697)	249,729	83,535	333,264

- See accompanying notes to the consolidated financial statements-

Capella Minerals Limited
Consolidated Financial Statements
For the Year Ended May 31, 2026
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.

These consolidated financial statements for the year ended May 31, 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 \$28,360,697 at May 31, 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. The Company currently does not have sufficient funds and must obtain additional funding to continue its operations.

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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Historical cost

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Approval

These consolidated financial statements of the Company and its subsidiaries for the year ended May 31, 2026, were approved and authorized for issue by the Board of Directors on September 28, 2026.

Principles of Consolidation

The 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>shut down August 25, 2026</i>)	Sweden	100%	Swedish kroner
Capella Minerals Norway AS	Norway	100%	Norwegian kroner
Cullen Finland Oy	Finland	70%	Euro
Eurolithium Oy	Finland	100%	Euro

Capella Minerals Limited
Consolidated Financial Statements
For the Year Ended May 31, 2026
Expressed in Canadian Dollars

2. Basis of Presentation- continued

Significant Accounting Estimates and Judgments

The preparation of the 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.

(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.

Capella Minerals Limited
Consolidated Financial Statements
For the Year Ended May 31, 2026
Expressed in Canadian Dollars

3. Material Accounting Policy Information

a) Foreign Currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company, Dimension Resources (USA) Inc., and the Guernsey subsidiary is the Canadian Dollar. The functional currency of the Norwegian subsidiary is the Norwegian kroner, the functional currency of the Swedish subsidiary is the Swedish kroner and the functional currency of the Finnish subsidiaries is the Euro. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates ("IAS 21").

Any transactions in currencies other than the functional currency have been translated to the Canadian dollar in accordance with IAS 21. The Company's presentation currency is the Canadian dollar ("C\$").

Transactions in foreign currencies are initially recorded in the entity's functional currency at the exchange rate at the date of transaction. Monetary assets and liabilities of the entity that are denominated in foreign currencies are re-translated at the rate of exchange prevailing at the statement of financial position date. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in profit or loss.

Assets and liabilities of entities with functional currencies different from the presentation currency are translated into Canadian dollars using the report date closing exchange rate. Income and expenses are translated into Canadian dollars at the average exchange rate over the reporting period. Exchange differences are presented in other comprehensive income (loss) and recognized in the foreign currency translation reserve.

b) Income/(Loss) per Share

Basic income/(loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted income/(loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income/(loss) per share. The dilutive effect of convertible securities is reflected in the diluted income/(loss) per share by application of the "if converted" method, this does not apply if there is a net loss for the year.

c) Share-based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. On exercise the value of the instruments are reclassified to share capital.

The fair value of the share purchase options granted to employees or those that provide services similar to employees are measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share purchase options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest. Share purchase options granted to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

c) Warrants

The Company has adopted a residual value method with respect to the measurement of warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves- warrants.

Finders' warrants issued as a private placement share issue cost are valued using the Black-Scholes option pricing model.

Capella Minerals Limited
Consolidated Financial Statements
For the Year Ended May 31, 2026
Expressed in Canadian Dollars

3. Material Accounting Policy Information – continued

d) Exploration and Evaluation Assets

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are capitalized as intangible assets on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. When it is determined that such costs will be recovered through successful development and exploitation, expenditures are tested for impairment and then transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

Farm-outs — in the exploration and evaluation phase

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 directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Company as a gain on the statement of loss and comprehensive loss.

Farm-in – in the exploration and evaluation phase

The Company recognises costs as incurred and applies its existing exploration and evaluation asset accounting policy when recording expenditures.

e) Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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3. Material Accounting Policy Information – continued

f) Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred taxes are recorded using the statement of financial position liability method. Under the statement of financial position liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities that do not affect accounting or taxable profit
- goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment. An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. For the years presented, the Company did not have any environmental rehabilitation provisions.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification and measurement of financial assets: IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit and loss (“FVTPL”). The classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Recognition: At initial recognition, the Company measures a financial asset at its fair value plus transactions costs in the case of a financial asset not recorded at FVTPL.

Classification and measurement: The Company classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through OCI, or profit or loss) and those to be held at amortized cost.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

De-recognition: The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

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3. Material Accounting Policy Information – continued

h) Financial Instruments - continued

Impairment: An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities:

Recognition: All financial liabilities are recognized initially at fair value.

Classification and measurement: Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or amortized cost.

The Company’s financial liabilities include accounts payable, deferred consideration payable and convertible promissory note. Trade and other payables are classified and subsequently measured at amortized cost.

As the promissory note as outlined in Note 9 is denominated in USD and was convertible into a variable number of the Company’s common shares which are listed in Canadian dollars, the instrument contained an embedded derivative liability. The present value of the liability component was calculated using a residual value approach after calculating the fair value of the derivative liability.

De-recognition and subsequent remeasurement: The Company derecognizes its financial liabilities when its contractual obligations are discharged, cancelled or expire.

i) Non-controlling interests

Non-controlling interests represents equity interests in subsidiaries owned by outside parties. Non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired on initial recognition. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income (loss) and other comprehensive income (loss) is recognized directly in equity. The Company recognizes transactions with non-controlling interests as transactions with equity shareholders. Changes in the Company’s ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

j) New accounting standards issued and not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is currently assessing the impact of this amendment on its consolidated financial statements.

4. Receivables

	May 31, 2026	May 31, 2025
	\$	\$
HST/GST receivable	84,697	13,079
Other receivables	770	33
Deposit (i) & (ii)	150,767	-
	236,234	13,112

- (i) The Company has recorded \$49,530 in deposits in Norway using Tümad earn-in funds. Refer to Note 7 for further details
(ii) During the year ended May 31, 2026, the Company recorded a refundable deposit of \$101,237 related to the Solana Project in Spain as part of its earn-in into the project.

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5. Accounts payable, accrued & other liabilities

	May 31, 2026	May 31, 2025
	\$	\$
Accounts payable & other liabilities	416,057	658,843
Accrued liabilities	437,396	777,568
	853,453	1,436,411

6. Financial Instruments

Categories of financial instruments

	May 31, 2026	May 31, 2025
	\$	\$
Financial assets		
Fair value through profit or loss ("FVTPL")		
Investments	3,120	201,831
Amortized Cost		
Cash	418,548	33,629
Receivables	236,234	13,112
	657,902	248,572
Financial liabilities		
Amortized cost		
Accounts payable, accrued & other liabilities	853,453	1,436,411
Convertible promissory note	129,014	233,019
Deferred consideration payable	-	68,698
Share subscriptions received in advance	-	105,600
	982,467	1,843,728

During the year ended May 31, 2026, the Company:

- (i) 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, resulting a realized loss of \$82,845. As at May 31, 2026, the Company had 17,330 Grit Metals shares valued at \$3,120 included in investments and recognized an unrealized gain of \$86,065 during the year.

The Grit Metals shares held were 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. 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 recognized a reversal of \$11,410 of the discount during the year, as the third and final hold period expired.

- (ii) Sold a total of 3,500,000 Teako Minerals Corp. ("Teako") shares for gross proceeds of \$175,000 and incurred fees of \$667, resulting a realized loss of \$18,168. At May 31, 2026 the Company had no Teako shares included in investments and recognized an unrealized gain of \$52,500 during the year.

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 of the shares. 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 recognized a reversal of \$6,894 of the discount during the year, as the third and final hold period which expired.

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6. Financial Instruments (continued)

During the year ended May 31, 2025, the Company:

- (i) Sold 1,000,000 Prospector Metals Corp. Prospector ("Prospector") shares for gross proceeds of \$112,780 and incurred \$406 in fees, resulting a realized loss of \$72,625 (including cost of sale fees) on its shareholding during the year ending May 31, 2025. As at May 31, 2025, the Company recognized an unrealized loss of \$15,000.
- (ii) Sold a total of 553,170 Grit Metals shares for gross proceeds of \$78,070 and incurred fees of \$250, resulting a realized loss of \$57,735. As at May 31, 2025, the Company had 696,830 Grit Metals shares valued at \$68,725 included in investments including a unrealized loss of \$3,088. 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%. The Company recognized a reversal of \$28,190 of the discount during the year ended May 31, 2025 as the first and second hold periods expired.
- (iii) Received 2,500,000 common shares (in addition to the 1,000,000 shares held at May 31, 2024) of Teako valued at \$137,500 in relation to the Company's sale of its 90 % interest in the Lokken, Norway project. Refer to Note 7. The Teako shares are subject to three staged hold periods which are removed starting December 29, 2024. As at May 31, 2025 the shares were valued at \$133,106. 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 recognized a reversal of \$13,730 of the discount during the year ended May 31, 2025 as the first and second hold periods expired. The Company recognized an unrealized loss of \$67,500 on its Teako shareholding during the year ending May 31, 2025.
- (iv) Received 2,265,000 Unico Silver Ltd. ("Unico") shares as a result of its sale of its interest in Sierra Blanca and immediately transferred 1,132,750 shares to Sandstorm Gold Limited ("SSL") in repayment of the balance owing on the contractual obligation. (Refer to Note 8 & 11 for further details). On September 25, 2024, the Company sold 1,132,750 Unico shares for gross proceeds of \$201,492 and incurred fees of \$43 and recognized a realized gain of \$21,079 in the year ending May 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:

	May 31, 2026	May 31, 2025
	\$	\$
Financial Assets		
Level 1		
Quoted shares	3,120	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.

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6. Financial Instruments (continued)

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.

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

May 31, 2026	Cash	Receivables	Accounts payable and accrued liabilities	Promissory Note	Deferred consideration payable
	\$	\$	\$	\$	\$
US dollars	3,554	-	(63,832)	(129,014)	-
Swedish kroner	2,886	17	(6,427)	-	-
Euro	47,477	79,424	(135,136)	-	-
Australian dollars	865	-	(130,939)	-	-
Norwegian kroner	114	-	(84,272)	-	-
Great Britain pounds	634	-	(929)	-	-

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 May 31, 2026 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by \$41,517 (2025: \$84,145).

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 May 31, 2026 and May 31, 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 promissory note with a rate of 8% per annum being applied to the principal. Refer to Note 9.

c) Liquidity risk

Liquidity requirements and the raising of funds are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2026 the Company had cash of \$418,548 (May 31, 2025 - \$33,629) to settle current liabilities of \$997,261 (May 31, 2025 - \$1,843,728) which included a promissory note payable to related party of \$129,014 and balances to related parties of \$331,254.

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6. 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 May 31, 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 \$312 (2025: \$22,014).

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7. **Exploration and Evaluation Assets**

	Løkken, Norway	Hessjogruva, Norway	Northern Finland, Finland	Katajavaara, Finland	Total
	\$	\$	\$	\$	\$
Balance May 31, 2024	555,550	121,983	644,090	309,530	1,631,153
Acquisition and tenure	38,000	73,520	118,241	-	229,761
Camp, travel, administration and other costs	-	-	9,518	-	9,518
Geologists and data collection	43,755	33,789	81,333	-	158,877
Sale of project	(503,650)	-	-	-	(503,650)
Provision for impairment /write down of exploration costs	(85,964)	-	-	(309,530)	(395,494)
Foreign exchange movement	4,209	2,588	54,801	-	61,598
Balance May 31, 2025	51,900	231,880	907,983	-	1,191,763
Acquisition and tenure	-	59,852	37,540	-	97,392
Camp, travel, administration and other costs	-	2,024	30,524	-	32,548
Geologists and data collection	-	-	1,439,422	-	1,439,422
Earn-in – initial fee	-	(380,160)	(380,160)	-	(760,320)
Earn-in recovery	-	(53,994)	(1,507,486)	-	(1,561,480)
Gain on earn-in arrangement	-	137,009	-	-	137,009
Foreign exchange movement	-	3,389	38,464	-	41,853
Balance May 31, 2026	51,900	-	566,287	-	618,187

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7. Exploration and Evaluation Assets (continued)

SCANDINAVIAN PROJECTS

During the year ended May 31, 2026, Capella signed a definitive agreement (“Definitive Agreement”) with a Turkish mining company Tümad Madencilik Sanayi Ve Ticaret A.Ş (“Tümad”) with respect to a staged earn-in option for a 30% interest in the Company’s portfolio of projects in Norway and Finland. Key terms of the Definitive Agreement are as follows:

- Payment of a non-refundable payment of US\$50,000 (\$68,564 received);
- Signing cash payment of USD 250,000 each for the Norwegian and Finnish projects upon execution of the Definitive Agreement for a total of US\$500,000 (\$691,756 received);
- Work commitments during the first 12 months: USD 2,500,000 in Norway (and including up to 8,000m of drilling) and USD 1,250,000 (including up to 4,000m of drilling) in Finland. 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 year ended May 31, 2026 the Company received \$760,320 in upfront consideration and \$1,573,445 in exploration earn-in funding from Tümad Madencilik. Of the earn-in funding received, \$1,561,480 has been recognised as exploration and evaluation expenditures. The remaining \$14,794 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:

	2026 \$	2025 \$
Opening balance	-	-
Cash received	2,333,765	-
Cash received – applied to E&E carrying value	(760,320)	-
Earn-in funds received – E&E	1,573,445	-
Earn-in recovery – acquitted to E&E	(1,561,480)	-
Foreign exchange movements	2,829	-
Unacquired earn-in funds balance	14,794	-

With respect to Norway, Tümad has been granted an extension to the Year 1 investment commitment milestone (USD 2,500,000) until December 31, 2027. With respect to Finland, Tümad had met their minimum Year 1 investment commitment (USD 1,250,000) but decided not continue to Phase 2 of the earn-in agreement. As a result, Tümad’s interest in the Finland projects will revert to a 1% Net Smelter Royalty on any potential future production.

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7. Exploration and Evaluation Assets (continued)

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 ("CLGB") 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 USD 50,000 (\$68,713) in the year ending May 31, 2026 and has now met all of its requirements in relation to payments to Cullen, with the balance fully extinguished. As at May 31, 2026, the Company completed the requirements to earn in an 80% interest in the CLGB projects. Capella formally registered its increased interest in Cullen Finland Oy to 80% on August 19, 2026.

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 year the ended May 31, 2026 Company entered into a farm out arrangement with Tümad and offset \$380,160 (initial fee) and \$1,507,486 of earn in recovery against Northern Finland project expenditure.

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.

During the year the ended May 31, 2026 Company entered into an earn-in arrangement with Tümad and offset \$380,160 (initial fee) and \$53,994 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 year ending May 31, 2026.

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7. Exploration and Evaluation Assets (continued)

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

On January 15, 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.

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 part 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 \$223,529 related to the earn-in agreement with Verde Metals for the Solana IOCG project. Of this amount \$117,974 has been expensed to the Statement of Profit or Loss in the year ending May 31, 2026 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.

Subsequent to the period, the Company announced renegotiated terms in relation to the Solana project. Key changes include i) the reduction of the upfront cash payment to Verde from Euro 115,000 to Euro 25,000; ii) the reduction of the minimum Year 1 investment in the Filabres 1 claim from Euro 290,000 to approximately Euro 50,000; and iii) the completion of a lower confidence level Preliminary Economic Study (instead of a Pre Feasibility Study) with 72 months / 6 years of exploration.

Norway Copper-Cobalt Projects

Løkken, 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.

During the year ended May 31, 2025, the Company executed a Definitive Acquisition Agreement (the “Agreement”) with Teako pursuant to which Teako will acquire a 90% interest in Capella’s Løkken 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 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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7. Exploration and Evaluation Assets (continued)

Details of the loss on disposal are detailed below:

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

Other

During the year ending May 31, 2026 the Company expensed \$253,327 (2025: \$27,078) in exploration costs of which \$53,046 relates to projects subject to the Tümad earn-in agreement and \$117,974 related to the Solana project and as a result these project expenses were recorded in the Statement of Profit or Loss in the year ending May 31, 2026 in line with the Company's farm out accounting policy. The balance of exploration costs expensed of \$82,307 related to general exploration expenditure in the year ending May 31, 2026.

8. 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.

	May 31, 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 year ended May 31, 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:

	May 31, 2026	May 31, 2025
	\$	\$
Opening balance	68,698	133,369
Interest	-	3,009
Anniversary payment	(68,713)	(72,411)
Foreign exchange movements	15	4,731
Closing balance	-	68,698

During the year ended May 31, 2026, the Company paid \$68,713 (USD 50,000) being the balance of the third and final anniversary payment to Cullen. As at May 31, 2026 the balance has been fully extinguished with no further payments required.

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9. Promissory Note

	May 31, 2026	May 31, 2025
	\$	\$
Current	129,014	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. 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 year ended May 31, 2025, the promissory note holder agreed to extend the maturity date from October 31, 2024, to December 31, 2025. The modification was assessed as non-substantial under IFRS 9, and the impact of the modification was determined to be immaterial. Accordingly, the existing liability was not derecognized.

During the year ended May 31, 2026, the Company repaid \$59,718 of the outstanding principal through issuance of 995,300 common shares and \$59,792 in cash. On December 12, 2025, the terms of the existing note were amended. The promissory note holder agreed to extend the maturity date from December 31, 2025, to August 31, 2026. The amended note is no longer convertible into equity instruments of the Company. The modification was assessed as non-substantial under IFRS 9, and the impact of the modification was determined to be immaterial. Accordingly, the existing liability was not derecognized.

An amount of \$13,601 (2025 - \$17,638) was recorded as interest expense on the promissory note during the year ending May 31, 2026.

Reconciliation of movements are as follows:

	May 31, 2026	May 31, 2025
	\$	\$
Opening balance	233,019	214,116
Interest	13,601	17,638
Repayment by issuance of shares	(59,718)	-
Cash repayment	(59,792)	-
Foreign exchange movements	1,904	1,265
Closing balance	129,014	233,019

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.

Subsequent to the period, the maturity date was extended again from August 31, 2026 to December 31, 2026.

10. Share Capital and Reserves

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

Share issuances

- On July 24, 2025 the Company issued 2,112,000 units for gross proceeds of \$105,600 in relation to the closing of a private placement. Each unit of the private placement consists of one common share in the capital of the Company and one-half share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.075 per share at any time until expiry, July 24, 2027 for a residual value of \$21,120.
- On November 6, 2025 the Company issued 30,000,000 units for gross proceeds of \$1,500,000 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

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10. Share Capital and Reserves (continued)

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.

- c) On December 30, 2025 the Company issued 3,381,484 shares with a value of \$338,148 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 settlement of \$135,259 was recorded in the Statement of Profit or Loss in the year ending May 31, 2026.
- d) On December 30, 2025 the Company issued 995,300 shares with a value of \$99,530 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 settlement of \$39,812 was recorded in the Statement of Profit or Loss in the year ending May 31, 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
Expired	(666,667)	\$0.60
Balance May 31, 2025	-	-
Issued	4,800,000	\$0.10
Balance May 31, 2026	4,800,000	\$0.10

b) Fair value of options granted

On November 12, 2025, the Company granted 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 year ending May 31, 2026, a total value of \$203,071 (2025 - nil) has been recorded to reserves – options and to share-based payments expense in the year ending May 31, 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 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 year ending May 31, 2026, a total value of \$15,747 (2025 - nil) has been recorded to reserves – options and to share-based payments expense in the year ending May 31, 2026. The portion of share-based payment cost recorded is based on the vesting schedule of the options.

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10. Share Capital and Reserves (continued)

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

Risk-free interest rate	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	4,433,333	\$ 0.10	2.45	10 Nov 2028
300,000	300,000	\$ 0.10	1.59	2 Jan 2028
4,800,000	4,733,333			

The weighted average exercise price of the options exercisable at May 31, 2026 is \$0.10 (2025 - nil).

(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
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 May 31, 2026	31,056,000	\$0.075

The Company issued 1,056,000 share purchase warrants as part of the July 24, 2025 private placement, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.075 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 November 6, 2025 private placement, 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.

11. 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.

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11. Related Party Transactions (continued)

	May 31, 2026	May 31, 2025
	\$	\$
Management fees	471,686	400,920
Share-based payments	168,052	-

Related party balances recorded in current liabilities

	May 31, 2026	May 31, 2025
	\$	\$
Glen Parsons- Non-executive director	27,618	75,647
Perihelion Inc. – Mary Little - Non-executive director	156,632	328,443
Nursel Atar – Non-executive director	8,146	-
Eric Roth - CEO	107,797	291,395
Genco Professional Services- S Cooper – CFO	130,631	133,812
Marketworks Inc. – Kathryn Witter Company Secretary	29,444	66,200

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

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

	May 31, 2026	May 31, 2025
	\$	\$
Salaries/Exploration/Consulting (i)	471,686	400,920
Share-based payments	168,052	-

(i) Key management were not paid post-employment benefits or other long-term benefits during the year ended May 31, 2026, and May 31, 2025.

c) 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 USD 150,000 (\$205,078 receipted). 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 year ended May 31, 2026, \$59,718 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). The maturity date of the note was extended to August 31, 2026. Interest of \$13,601 (2025 - \$17,638) has been recorded in the year ended May 31, 2026. Refer to Note 9 for further details. Subsequent to the year end the maturity date was extended to December 31, 2026.
- On November 1, 2025, the Company entered into a consulting agreement with Jefferey Phillips to provide advisory services at USD 5,000 per month for 12 months and USD 1,000 per month thereafter. The agreement also requires issue of 300,000 options at \$0.10. The options were issued on January 2, 2026.
- On December 30, 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).

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12. 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:

	May 31, 2026	May 31, 2025
	\$	\$
Total non-current long-lived assets		
Norway	51,900	283,780
Finland	566,287	907,983
	618,187	1,191,763

13. Supplemental Cash Flow Information

	May 31, 2026	May 31, 2025
	\$	\$
Changes in non-cash working capital		
Movement in receivables	7,087	(4,048)
Movement in prepaid expenses	(39,937)	26,382
Movement in accounts payable and accrued liabilities	(202,053)	369,194
	(234,903)	391,528

	May 31, 2026	May 31, 2025
	\$	\$
Schedule of non-cash investing and financing transactions:		
Exploration and evaluation expenditures included in accounts payable	203,325	416,481
Unrealised movement of financial assets	156,869	43,668
Gain on earn-in arrangement	137,009	-
Realized revaluation movement of financial asset	101,013	109,281
Interest	13,601	17,638
Exploration and evaluation expenditures included in prepayments and deposits	150,767	5,224
Deferred consideration payable interest	-	3,009
Shares received – Unico	-	360,741
Shares received – Teako minerals	-	116,875
Repayment of contractual obligation payable	-	180,371
Depreciation included in exploration and evaluation expenditures	-	770
	May 31, 2026	May 31, 2025
	\$	\$

Supplementary disclosure of cash flow information:

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

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14. 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.

15. Commitments and Contingencies

- a) 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.
- b) The Company has commitments and contingencies in relation to the acquisition on September 7, 2021 with Cullen Resources to the Northern Finland projects.

Terms of the Cullen 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.

- c) Hessjøgruva, Norway project – see Note 7

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16. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	May 31, 2026	May 31, 2025
	\$	\$
Loss before taxes	(1,624,526)	(1,119,840)
Expected income tax (recovery)/expense	(439,000)	(302,000)
Changes in statutory and foreign exchange rates	1,000	17,000
Permanent differences	238,000	165,000
Share issue cost	(4,000)	
Adjustment to prior years provision versus statutory tax return	280,000	99,000
Change in unrecognized deductible temporary differences and other	(76,000)	21,000
Total income tax expense (recovery)	-	-

Significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

	2026	Expiry dates	2025
	\$		\$
Share issue costs	57,000	2047 to 2050	72,000
Allowable capital losses	257,000	No expiry	233,000
Non-capital losses	7,096,000	2028 to 2046	7,831,000
Property and equipment	8,000	No expiry	6,000
Investment tax credits	1,000	No expiry	1,000
Foreign exchange	-	No expiry	13,000
Mineral properties	619,000	No expiry	92,000
Marketable securities	1,000	No expiry	146,000
	8,039,000		8,394,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

17. Non-controlling interest

	May 31, 2026	May 31, 2025
	\$	\$
Non-controlling interest in subsidiary- Cullen Finland Oy	83,535	98,613
<i>Assets and liabilities of subsidiary</i>		
Current assets	123,983	27,092
Non-current assets	983,685	966,896
Current liabilities	(119,053)	(78,906)
Net assets	988,615	915,082
Non-controlling interest (30%)	83,535	98,613
Loss for the year	77,297	20,217
Other comprehensive loss for the year	(27,036)	(4,790)
Total comprehensive loss	50,261	15,427
Non-controlling interest share (30%)	15,078	4,629

Capella's increased interest to 80% in Cullen Finland Oy was registered subsequent to the year ended May 31, 2026.

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18. Equipment

	Office equipment	Accumulated depreciation	TOTAL
	\$	\$	\$
May 31, 2024	2,470	(1,694)	776
Depreciation	-	(770)	(770)
Foreign exchange movements	93	(99)	(6)
May 31, 2025	2,563	(2,563)	-
Depreciation	-	-	-
Foreign exchange movements	272	(272)	-
May 31, 2026	2,835	(2,835)	-

19. Subsequent events

Subsequent to May 31, 2026, the Company:

- a) Registered its increased interest in Cullen Finland Oy to 80%.
- b) Completed the shutdown of its Swedish subsidiary Capella Minerals Sweden AB.
- c) The Company amended certain terms of its earn-in arrangements with Tümad in Norway and Finland. With respect to Norway, the Company advises that drill permits have been issued for the Hessjøgruva project and that, in recognition of the delays associated with the granting of these permits, Tümad has been granted an extension to the Year 1 investment commitment milestone (USD 2,500,000) until December 31, 2027. With respect to Finland, the Company noted that Tümad had met their minimum Year 1 investment commitment (USD 1,250,000) but, given the results obtained from diamond drilling at the Killerö E and Killerö W projects, would not continue to Phase 2 of the earn-in agreement. As a result, Tümad's interest in the Finland projects will now revert to a 1% Net Smelter Royalty on any potential future production.
- d) The Company renegotiated certain terms of the Solana earn-in agreement. Key changes to the original agreement include reductions in both upfront cash payments and minimum exploration expenditures, plus the requirement to complete a Preliminary Economic Assessment (rather than a Pre Feasibility Study) within 6 years.
- e) Entered into an agreement with the promissory note holder agreed to extend the maturity date of the promissory note to December 31, 2026.