



CAPELLA MINERALS LIMITED
8681 Clay Street
Mission BC
CANADA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Twelve Months Ended May 31, 2026

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Management Discussion and Analysis
For
Capella Minerals Limited
(“Capella”, or the “Company”)

The Management’s Discussion and Analysis (“MD&A”) is an overview of the activities of Capella Minerals Limited and its subsidiaries (“Capella” or the “Company”). This MD&A describes the Company’s business operations through to the date of this MD&A. The MD&A is intended to supplement and complement the audited Annual Financial Statements (“Annual Financial Statements”) for the years ended May 31, 2026 and 2025, together with the notes thereto (the “Financial Statements”).

The effective date of this MD&A is September 28, 2026.

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

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

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

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

NATURE OF BUSINESS

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

The Company engages primarily in the acquisition, exploration and development of base and precious metals projects in Europe either solely or through joint ventures. The Company’s current focus is on gold-copper projects in Finland, copper-cobalt-zinc projects in Norway, and a copper-gold project in Spain.

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

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

Project	Location	Principal Commodities	Capella Ownership
Northern Finland* <i>(Killero E, Killero W, Saattopora W, Keisunselka, Jolhikko)</i>	Finland	Gold, copper	80% Capella - 20% Cullen Resources
Hessjøgruva*	Norway	Copper, cobalt, zinc	100% Capella
Løkken			10% Capella - 90% Teako Minerals

Project	Location	Principal Commodities	Capella Ownership
Solana	Spain	Copper, gold	Earn-In announced January 15, 2026

*Subject to Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") Agreement as at May 31, 2026

Key Developments

Exploration and Development Portfolio

- The Company's exploration activities are currently focused on its portfolio of 5 gold-copper ("Au-Cu") projects in the Central Lapland Greenstone Belt ("CLGB") of northern Finland, together with the advanced exploration-stage and high-grade copper-cobalt-zinc ("Cu-Co-Zn") massive sulfide ("VMS") Hessjøgruva-Kongensgruve project in the former Røros mining district of central Norway. In addition, the Company announced on January 15, 2026, an Earn-In Agreement for the Solana Iron-Oxide Copper-Gold ("IOCG") project in SE Spain.
- On January 15, 2026, Capella announced the signing of a binding Letter of Intent ("LOI") with Verde Minerals Ltd ("Verde") with respect to an Earn-In Agreement on the Solana IOCG project in SE Spain. The Solana project is located 80km NW of the regional centre of Almeria, and is located within a former mining district containing a series of laterally extensive, NNW-trending haematite-rich copper-gold veins, hosted within Proterozoic-age meta-sedimentary rocks and underlain by felsic intrusions. The Company's upcoming exploration program at Solana is expected to focus, once mineral claim applications / work programs are approved by local authorities, on the resource potential of both the extensive high-grade vein systems, together with potential buried IOCG-type deposits which the Company interprets to be source for the outcropping copper-gold veins. As a direct result of delays incurred in obtaining licence claim and work program approvals for Solana, the Company announces a renegotiation of the terms of the earn-in agreement with Verde. Key changes to the original terms included reductions in both upfront cash payments and minimum exploration expenditures, and the requirement to complete a Preliminary Economic Assessment (rather than a Pre Feasibility Study) within 72 months / 6 years.
- The Company also provides an update on the Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") earn-in agreement for the Company's portfolio of precious and base metal projects in Norway and Finland. With respect to Norway, the Company advises that drill permits have now 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 advises that Tümad has 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, will 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.
- On September 2, 2025, Capella announced the signing of a Definitive Agreement with Turkish mining company Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") with respect to a staged Earn-In Agreement for the Company's portfolio of precious and base metal projects in Norway and Finland. The signing of the Definitive Agreement followed the signing of a Non-Binding Letter of Intent on June 2, 2025. The Definitive Agreement with Tümad included a mandatory work commitment of up to 12,000m of diamond drilling during Year 1, divided between Norway (8,000m) and Finland (4,000m). Shareholder approval for the Tümad Earn-In Agreement was received at the Company AGM held on January 30, 2026.
- Key developments with respect to Capella's Finnish exploration portfolio include:
 - On July 3, 2026, Capella announced the commencement of a reconnaissance diamond drill program at the Killero W gold-copper project. Drilling was initially focused on two gold targets

identified through a combination of Base of Till (“BoT”) gold geochemical anomalies and NE-trending structural corridors identified from the Company’s 2022 high-resolution drone magnetic survey. Analytical results confirm that limited, narrow high-grade copper intervals – but with insignificant gold - has been intersected in the Killerö W drilling.

- On March 30, 2026, Capella announced that a reconnaissance BoT geochemical sampling program had commenced on its Seisunselka and Jolhikko gold targets in the CLGB. A total of 102 BoT samples (plus 55 Top of Bedrock, or “ToB”) samples were collected from four survey lines. The Seisunselka and Jolhikko BoT/ToB programs were funded under the Tümad Earn-In Agreement. Results have been received and are in the process of being reviewed and interpreted.
- On March 24, 2026, the Company announced the completion of a maiden 9 hole/2,008m diamond drill program on the Killerö E copper-gold target in the CLGB. The Killerö E drilling was focused on evaluating the potential source(s) of the historical copper-gold BoT anomalies identified by Anglo American plc, in addition to testing the economic potential of a NE-trending structural corridor that had been defined through the Company’s 2022 high-resolution drone magnetic survey. Assays for the maiden Killerö E drill program were announced on June 24, 2026, with results indicating narrow intervals of high-grade vein-hosted copper mineralization with only minor associated gold. A detailed review of results is ongoing with a view to defining follow-up drilling over the 2026/2027 winter season.
- With the completion of the 2026 work programs at Killerö E, Killerö W, Seisunselka, and Jolhikko, Capella has now met its exploration expenditure commitments with respect to the original Earn-in Agreement with Cullen Resources Ltd (“Cullen”; see Company News Release dated August 24, 2021) and earned-in to an 80% interest in the CLGB projects. Cullen will now retain a 20% free-carried interest in the CLGB projects until the completion of a Pre-Feasibility Study, after which time Cullen must decide whether to continue contributing to further development on a pro-rata basis or diluting in accordance with an industry standard formula.
- Key developments during the period with respect to the Company’s Norwegian portfolio include:
 - The Tümad Definitive Agreement announced on September 2, 2025, also includes a minimum Year 1 work commitment of up to 8,000m of diamond drilling on the Company’s 100%-owned Hessjøgruva Cu-Co-Zn VMS project in Trøndelag, central Norway.
 - The Company advises that drill permits have now 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 until December 31, 2027.
 - An additional 34 sq. km in 4 new exploration claims was staked in the Storhovsbekken sector, which is located between the key Hessjøgruva and Kongensgruve target areas. The claims were staked on March 19, 2026, in order to maintain complete coverage of the Hessjøgruva-Kongensgruve district and are included in the Tümad JV area. Capella’s exploration claims in the Hessjøgruva-Kongensgruve district now cover a total of 113 sq. km.
 - The Tümad Definitive Agreement also covers two new regional exploration projects that were recently staked by Capella: the Kviteseid copper-rich VMS and intrusion-related molybdenum project in southern Norway, and the Kjeldebotn copper-rich VMS project in northern Norway. Only limited reconnaissance sampling has been undertaken on these projects to date.
 - Norway Regional: a further 262 sq. km of exploration concessions was staked by the Company in March-April 2026 in central Norway (Nordgruve; 67 sq. km) and northern Norway (Birtavarre, Kulokkarhagen, Ringvassoya, Kjeldebotn; 195 sq. km). These claims are 100% Capella-owned and fall outside the current Tümad Earn-In Agreement.

Corporate

- **Director appointments** – the Company appointed Ms. Nursel Atar to Capella's Board of Directors, effective February 12, 2026. Ms. Atar was previously engaged by Capella in the capacity of Strategic Advisor to the Company. Post year-end (July 7, 2026) the Company announced the retirement of Ms. Mary Little from the Company's Board of Directors and the appointment of Mr. Marcus Harden as a Non-Executive Director.
- **Annual General Meeting ("AGM")** – the Company held its AGM on January 30, 2026. All resolutions presented for voting were passed.
- **Promissory Note** – On December 12, 2025, the Company amended and restated the convertible promissory note with a former Non-Executive director. The amended note had a principal balance of USD \$133,177, bears interest at 8% per annum, is unsecured, and matured on August 31, 2026. The note is no longer convertible into equity securities without Exchange approval. Subsequent to the year ended May 31, 2026 the maturity date was extended to December 31, 2026.
- **Shares for Debt** - On December 30, 2025, a total of 4,376,784 shares were issued to insiders of the Company for outstanding management and non-executive director fees (an aggregate 3,381,484 shares, covering periods from November 30, 2022 to August 31, 2025) and in partial payment of promissory note (995,300 shares). In accordance with regulatory and securities law the shares are being issued with a four month plus 1 day hold period trading restriction expiring on April 30, 2026.
- **Private Placement** - On November 6, 2025, the Company issued 30,000,000 shares and 30,000,000 share purchase warrants. Each unit of the private placement consisted 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 incurred \$14,182 in share issue costs in relation to the closing of the private placement.
- **Options** - On November 12, 2025, the Company granted an aggregate of 4,500,000 incentive stock options of which 4,366,667 options vested immediately and are exercisable for a period of 3 years at a price of \$0.10 until expiry on November 10, 2028. The remaining 133,333 options vest evenly in May 2026 and November 2026. A further 300,000 options were issued to an Advisor on January 2 under the same terms and conditions as the previous 4,366,667 options. Post year-end (July 7, 2026), a total of 500,000 options were issued to a newly appointed Non-Executive Director, Mr. Marcus Harden.
- **Grit Metals Share Sales:** During the twelve months ended May 31, 2026, the Company sold a total of 679,500 Grit Metal Corp ("Grit Metals" previously European Energy) shares for gross proceeds of \$80,910 and incurred fees of \$635.
- **Cullen Resources Ltd. (Finland JV):** The Company has completed all of the earn-in commitments required to earn-in to an 80% interest in the Finnish subsidiary Cullen Finland Oy, owner of the five exploration permits that comprise the Northern Finland Gold-Copper Project (see Company News Release dated August 24, 2021). Cullen Resources Limited ("Cullen"; ASX:CUL) is the holder of the remaining 20% interest in the project. The increased interest in Cullen Finland Oy was registered subsequent to the year ended May 31, 2026.
- **Teako Minerals Corp. Share Sale:** On October 16, 2025, the Company reached an agreement with two European investors regarding the sale of its 3,500,000 common shares in Teako Minerals Corp (CSE:TMIN). The Teako share transaction was executed at a price of \$ 0.05 per common share and resulted in the raising funds of \$175,000 for Capella.
- **Closure of Swedish subsidiary** – the Company commenced the process of closing the Swedish subsidiary Capella Minerals Sweden AB as the subsidiary was no longer required due to no interests being retained in this jurisdiction. Final liquidation of this subsidiary was completed on August 25, 2026.

Solana Iron-Oxide Copper-Gold Project - Spain

On January 15, 2026, Capella announced the signing of a binding Letter of Intent (“LOI”) with Verde Minerals Ltd (“Verde”) with respect to an Earn-In Agreement on the Solana Iron Oxide Copper-Gold (“IOCG”) project in southern Spain. The Solana IOCG project is located 80 km NW of the regional centre / port of Almeria and is a district-scale (35+km in length) project which includes the former producing Cerro de Gallo and Solana high-grade vein-hosted copper-gold deposits and the copper-rich Conde Xiquena haematite mine.

The Company’s 2026 exploration program at Solana is expected to focus on, once mineral claim applications / work programs are approved by local authorities and TSXV approval is received, an evaluation of the resource potential of the extensive high-grade vein systems, in addition to the evaluation of buried IOCG-type deposits which the Company interprets to be source for the outcropping copper-gold veins.

Key terms of the Solana Earn-In Agreement were as follows:

- 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 Andalusia mining authorities) on each granted permit within 12 months. Capella’s minimum spend on the Filabres 1 permit for 2026/2027 is expected to 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 Andalusia government for the Filabres 1 permit.
- Capella to pay Verde the amount of Euro 115,000 upon receiving TSXV Exchange approval. In addition, Capella will make annual payments of Euro 50,000 starting Year 2 to Verde upon the first of either i) the relinquishment of all properties that form of this agreement or ii) Capella completes all items required as per Phase III of the Agreement.

The Company advises that a renegotiation of the terms of the Solana earn-in agreement has been completed. 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 permit 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) within 72 months / 6 years of the initiation of exploration. The remaining terms of the original agreement remain unchanged.

During H1, 2026, the Company continued to advance its due diligence and engagement with local authorities in relation to the Solana Project. As part of this process, Capella and Verde agreed to extend the deadline to enter into definitive agreements from March 29, 2026, to September 30, 2026, in order to allow sufficient time to complete the permitting strategy and associated regulatory processes, including local and TSX-V approvals. Recent meetings with the regional mining authorities in Almería, as well as a formal institutional meeting held in Seville in mid-April, have provided greater clarity on the optimal permitting pathway for the project.

Based on these discussions, the Company has refined its approach, transitioning from previously contemplated exploration permit applications toward the submission of Investigation Permit (PI) applications, which provide a more appropriate framework for both geophysical surveys and potential drilling activities. The Company clarifies that the Filabres 1 permit application is currently under administrative review and has not yet been fully granted. As part of ongoing engagement with the relevant authorities, the Company has supplemented the application with additional information regarding the project's financing structure, including the agreement with Capella Minerals Ltd., in order to support the assessment of project solvency. The Company continues to work constructively with the authorities to advance the application under this updated framework.

The Company notes that permitting in Spain involves a staged administrative process, and the status of applications may evolve as part of ongoing review and engagement with authorities.

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 exploration costs with the balance being unacquitted earn-in funds paid under the earn-in arrangement that have not yet been recognised as exploration and evaluation expenditure. These balances include funding applied to working capital items, such as deposits and prepayments, accounts payable and other timing differences, which will be recognised as exploration and evaluation expenditure as the underlying costs are incurred or allocated to the project.

Tümad Exploration Agreement - Scandinavia

On September 2, 2025, Capella announced the signing of a Definitive Agreement with Turkish mining company Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") with respect to a staged earn-in proposal for the Company's portfolio of precious and base metal projects in Finland and Norway. The signing of the Definitive Agreement followed the signing of a Non-Binding Letter of Intent on June 2, 2025. Shareholder approval for the Tümad Earn-In Agreement was received at the Company AGM held on January 30, 2026.

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

- Tümad made a non-refundable cash payment to Capella of USD50,000 upon signing of the Letter of Intent (completed). Furthermore, Tümad made cash payments to Capella of USD 250,000 each for the Norwegian and Finnish projects upon successful completion of the Due Diligence.
- With respect to the Company's 100%-owned Norwegian Cu-Co-Zn projects (Hessjøgruva-Kongensgruve, Kjeldebotn, and Kvitesid), Tümad will be granted an earn-in on the following terms:
 - Phase 1 (Earn-in to 30%) – Tümad will be required to invest USD 2,500,000 in exploration expenditures (including up to 8,000m of core drilling) during the First Year after the signing of the Definitive Agreement. This investment is deemed to be the minimum investment commitment. Should Tümad then elect not to continue on to Phase 2, Tümad's interest in the project will revert to a 1% NSR.
 - Phase 2 (Earn-in to 51%) (Optional) – Tümad will then be required to invest a further USD 5,000,000 in exploration expenditures, which is expected to include the completion of a further 15,000m of infill / step-out drilling, a Canadian NI 43-101 compliant mineral resource estimate, plus initial metallurgical and mining studies.
 - Phase 3 (Earn-in to 80%) (Optional) – funding of all studies required for completion of a 43-101 compliant Feasibility Study.
 - Subsequent to the completion of Phase 3, Capella will either be required to contribute to future exploration and development costs on a pro-rata basis or will dilute out to a 1.5% NSR. Tümad will hold a buy-back right on the 1.5% NSR for USD 5,000,000 until anytime up to the commencement of commercial production.
 - The Company advises that drill permits have now 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 until December 31, 2027

- With respect to the Company's Northern Finland Au-Cu projects (Killerö E, Killerö W, Saattopora W, Jolhikko, and Keisunselka)(Cullen Joint Venture; ASX: CUL), Tümad had been granted an earn-in on the following terms:
 - Phase 1 (Earn-In to 30%) – Tümad was required to invest a minimum of USD 1,250,000 in exploration expenditures (including up to 4,000m of core drilling) during the First Year after the signing of the Definitive Agreement. This investment was deemed to be the minimum investment commitment.
 - Phase 2 (Earn-in to 51%)(Optional) – Tümad would have been required to invest a further USD 2,500,000 in exploration expenditures, and including an additional 8,000m of infill and step-out drilling.
 - Phase 3 (Earn-in to 80%*) (Optional) – funding of Feasibility-level technical studies
 - Subsequent to the completion of Phase 3, Capella would have been either required to contribute to future exploration and development costs on a pro-rata basis or would have diluted out to a 1.5% NSR. Tümad held a buy-back right on the 1.5% NSR for USD 5,000,000 until anytime up to the commencement of commercial production.
 - Capella advises that Tümad has now met their minimum Year 1 investment commitment for the Northern Finland projects. However, given the results obtained from diamond drilling at both Killerö E and Killerö W, Tümad has elected to not continue on to Phase 2 of the earn-in agreement. As a result, Tümad's interest in the Northern Finland projects will now revert to a 1% Net Smelter Royalty on any potential future production.

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

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

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 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 in the Statement of Loss and Comprehensive Loss.

In the twelve months 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 expenditure. The remaining \$14,794 is presented as unacquitted 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. Unacquitted 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.

*80% of Capella's interest in the project

Exploration Projects - Finland

Northern Finland Gold-Copper Project (Capella 80% Interest registered subsequent to year end)

- Capella's Northern Finland gold-copper project consists of 5 exploration licences / drill permits ("EL's") located within the world-class metallogenic province of the Central Lapland Greenstone Belt ("CLGB").
- The EL's lie immediately adjacent to the highly prospective Sirkka Thrust Zone, a regional structural corridor within the CLGB which is associated with numerous occurrences of both gold and base metals. The EL's were applied for prior to the expiry of the original 200 sq. km Aakenus - Katajavaara reservation on December 21, 2022.
- The Company's 5 granted EL's are as follows:
 - *Killerö E* – former Anglo American plc¹ project with significant gold-copper Base of Till ("BoT") geochemical anomalies but never drill tested. A major NE-trending fault zone is also evident cross-cutting the copper-gold anomaly from Capella's 2022 high-resolution drone magnetic survey. A maiden diamond drill program was completed at Killerö E during Q1, 2026; assay results are summarized below.
 - *Killerö W* - second anomalous area, located about 4km W of Killerö E, with exceptional gold-copper values derived from historical BoT sampling by Anglo American plc but never drilled. Initial drill testing of two drill-ready gold targets commenced on July 3, 2026 (see comments below).
 - *Saattopora W* – interpreted W-NW extensions to Outokumpu Oy's former Saattopora gold-copper mining operation.
 - *Keisunselka* – interpreted high-grade gold hosted in deformed banded mafic volcanic target; located approximately 14km NW of Killerö E. First-pass BoT drilling / sampling initiated in March-April, 2026 (see below).
 - *Jolhikko* – gold and base metal targets in complex deformation zone; located approximately 8km WSW of Killerö E. First-pass BoT drilling / sampling initiated in March-April, 2026 (see below).
- On July 3, 2026, Capella announced the commencement of a reconnaissance diamond drill program at the Killerö W gold-copper project. Drilling will initially focus on two gold targets identified through a combination of Base of Till ("BoT") gold geochemical anomalies and NE-trending structural corridors identified from the Company's 2022 high-resolution drone magnetic survey. The Company advises that assay results have now been received for Killerö W. Given the prevalence of narrow intervals of high-grade copper (coupled with overall low gold values) in the diamond drilling at both Killerö E and Killerö W, Tümad has advised Capella that it will not advance to the Phase 2 investment commitment on the Finnish projects. As a result, Tümad will now retain a 1% Net Smelter Royalty on any potential future production
- On March 30, 2026, Capella announced that a Base of Till ("BoT") drilling/sampling program had commenced on its Seisunselka and Jolhikko gold targets. A total of 102 BoT (plus 55 Top of Bedrock, or "ToB") samples were collected from four survey lines. Results have now been received and are in the process of being reviewed and interpreted.
- On March 24, 2026, the Company announced the completion of a maiden 9 hole/2,008m diamond drill program on the Killerö E copper-gold target. The Killerö E drilling was focused on evaluating the potential source(s) of the historical copper-gold BoT anomalies identified by Anglo American plc, in addition to testing the economic potential of a NE-trending structural corridor that had previously been defined through the Company's 2022 high-resolution drone magnetic survey. Assays for the Killerö E drill program were announced on June 24, 2026, with results indicating narrow intervals of high-grade vein-hosted copper mineralization with only minor associated gold. A detailed review of results is ongoing with a view to defining follow-up drilling over the 2026/2027 winter season.

- Next steps: expected first pass review of the Saattopora W project, plus newly-identified anomalous areas at Seisunselka and Jolhikko, in H2 2026.

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

Exploration Projects - Norway

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

- The Company advises that drill permits have now been granted 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 until December 31, 2027.
- Drill hole planning was based on a mixture of both infill and step-out holes on the Hessjøgruva Lens A deposit.
- An additional 34 sq. km in 4 new exploration claims was staked in the Storhovsbekken sector, which is located between the key Hessjøgruva and Kongensgruve target areas. The claims were staked on March 19, 2026, in order to maintain complete coverage of the Hessjøgruva-Kongensgruve district and have been included in the Tümad JV area. Capella’s exploration claims in the Hessjøgruva-Kongensgruve district now cover a total of 113 sq. km.
- Norway Regional: a further 262 sq. km of exploration concessions was staked by the Company in March-April 2026 in central Norway (Nordgruve; 67 sq. km) and northern Norway (Birtavarre, Kulokkarhagen, Ringvassoya, Kjeldebotn; 195 sq. km). These claims are 100% Capella-owned and fall outside the current Tümad JV.

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

- Capella currently holds a 10% non-dilutable carried interest to production on the Løkken Cu-Co-Zn VMS project in central Norway. The Company’s Joint Venture partner and operator at the Løkken project is Teako Minerals Corp. (CSE: TMIN)(“Teako”). Teako is currently in the process of evaluating strategic alternatives / next steps for the Løkken project.

Other

As of the date of this report, Capella held common shares in the following listed corporation:

Company	Shares	Status	% Issued Shares
Grit Metals Corp. (TSXV: FIN)	17,330	Free trading	<1%

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

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

*BeMetals Corp. (TSXV: BMET) acquired a 100% interest in the Savant Gold property from former owners Prospector Metals Corp. (TSXV: PPP) through the signing of a Definitive Agreement that was announced on August 12, 2025. BeMetals subsequently announced a Corporate name change to Lightning Resource Corp (TSXV: LTNG) on July 29, 2026.

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

- **Grit Metals Corp. (formerly European Energy Metals Corp.) (TSXV: FIN) Shareholdings** – the Company received the following share allocations from Grit Metals Corp.:
 - On March 15, 2024, the Company received 150,000 FIN common shares as part of the Year 1 anniversary commitments relating to the Central Finland Li-REE project earn-in agreement. These shares were subject to a 4 month regulatory hold until July 13, 2024.
 - A total of 1,100,000 FIN common shares were received on April 23, 2024, in relation to FIN's agreed acquisition of a 100% interest in the Central Finland Li-REE project. These shares had voluntary hold periods as per following schedule: 366,670 shares were subject to hold until September 18, 2024; 366,665 shares were subject to hold until April 18, 2025; and 366,665 shares were subject to hold until September 18, 2025.
 - As at May 31, 2026, the Company held 17,330 common shares in FIN.
- **Teako Minerals Corp. (CSE: TMIN) Shareholdings** – the Company received the following share allocations from Teako Minerals Corp.
 - On November 15, 2023, the Company received 1,000,000 TMIN common shares as part of the agreement signed with Teako in relation to the Vaddas-Birtavarre properties. These shares were subject to a 4 month regulatory hold.
 - On August 28, 2024, the Company received a further 2,500,000 common TMIN shares as part of the divestiture of a 90% interest in the Løkken project. These shares had voluntary hold periods as per the following schedule: 833,334 shares were subject to hold until December 29, 2024; 833,333 shares were subject to hold until April 28, 2025; and a further 833,333 shares were subject to hold until August 28, 2025.
 - On October 16, 2025, Capella reached an agreement with two European investors regarding the sale of its 3,500,000 common shares in Teako Minerals Corp. (CSE:TMIN). The Teako common shares were sold at a price of \$0.05 and resulted in the raising of \$175,000 for Capella.

Proposed Transactions

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

OUTLOOK

The Company expects to continue managing and advancing exploration activities on its portfolio of gold-copper projects in Finland and copper-cobalt projects in Norway, together with the new Solana copper-gold project in Spain (for which the earn-in agreement is currently awaiting Exchange approval). The Company is currently evaluating all financing options available to the Company at both the corporate and project level. The Company is seeking additional equity funding or alternative new project financing options to fund its ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding or securing alternative financing options.

Qualified Persons and Disclosure Statement

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

(AusIMM), a Fellow of the Society of Economic Geologists (SEG), and a Qualified Person under NI 43-101. Mr Roth has 35 years experience in international minerals exploration and mining project evaluation.

Exploration and Evaluation Expenditures

	Løkken, Norway	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	118,244	-	229,764
Camp, travel, administration and other costs	-	-	11,462	-	11,462
Geologists and data collection	43,755	33,789	79,389	-	156,933
Sale of project	(503,650)	-	-	-	(503,650)
Provision for impairment /write down of exploration costs	(85,964)	-	-	(309,530)	(395,494)
Foreign exchange movement	4,209	2,588	37,439	-	44,236
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

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

OVERALL PERFORMANCE

During the twelve months ended May 31, 2026, the Company incurred a loss of \$1,624,526 (May 31, 2025: \$1,119,840). This loss was due predominantly to general and administrative expenses of \$1,330,414 (including share-based payment expense of \$218,818), exploration and evaluation costs expensed of \$253,327, a loss on shares issued for debt of \$175,071 and a realised loss on the sale of financial assets of \$101,013. These costs were offset by the recognition of gain on farm out arrangement with Tümad of \$137,009 and an unrealized gain of \$156,869 recognised on financial assets at May 31, 2026.

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

FINANCIAL POSITION

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

	May 31, 2026 \$	May 31, 2025 \$	May 31, 2024 \$
Current assets	709,218	61,239	158,802
Non-current assets	621,307	1,393,594	2,081,079
Current liabilities	997,261	1,843,728	1,495,493
Total equity /(deficiency)	333,264	(388,895)	744,388

Included in current assets at May 31, 2026, is cash of \$418,548 and prepaid expenses of \$54,436 and receivables and deposits of \$236,234. The deposits balance includes an environmental deposit in Spain in relation to the Solana project of \$ 101,237 and \$49,530 paid in Norway which is funded by Tümad under the earn-in agreement, it is presented as a deposit with a corresponding unacquitted earn-in liability. The movement in current assets is due to an increase in cash held due to the closing of a private placement of \$1,500,000 in November 2025 and sale of financial assets held for proceeds of \$254,608. The increase in cash was offset by expenditure on the Company's exploration projects and payment of corporate costs and payables owing incurred to support the Company's operations, as well as cash payment to Cullen of \$68,713.

The non-current assets balance has reduced by \$772,287 due to the sale of Grit Metal and Teako shares in the period offset by the impact of earn in funds of \$760,320 received under the Tümad agreement, which were applied against exploration and evaluation assets in accordance with the Company's accounting policy. Exploration and evaluation expenditure balances have also been impacted by foreign exchange movements in exchange rates between NOK and EUR and the Company's reporting currency CAD.

Current liabilities of the Company include accruals, accounts payable and other liabilities totalling \$853,453. These balances can fluctuate from period to period depending on the level of exploration activity and corporate activities undertaken by the Company. At May 31, 2026 this liability balance mainly comprise of payables related to exploration activities of \$203,325, directors' fees payable of \$63,382, related party and management payables for accrued fees of \$267,872, audit and tax fee accrual of \$98,140 and other accounts payable related to general administrative and management expenditure of \$220,734. Current liabilities balance also includes the promissory note entered into with a non-executive director for \$129,014 and an unacquitted earn-in liability of \$14,794 to Tümad related to earn-in activities in Norway and Finland. This unacquitted balance does not represent additional funding to the Company but rather timing differences between cash received and qualifying expenditure incurred.

Share capital increased to \$25,784,488 following private placements, shares issued for debt, and settlement of the promissory note and offset by share issue costs incurred of \$14,182.

RESULTS OF OPERATIONS

The following is a breakdown of significant costs incurred for the twelve months ending:

	May 31, 2026	May 31, 2025
	\$	\$
Management and administrative fees	777,597	631,551
Share-based payments	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
General exploration and evaluation costs	253,327	27,078
Loss on shares for debt	175,071	-
Loss on sale of financial assets	101,013	109,281
Foreign exchange (gain) /loss	50,072	(18,869)
Loan interest and other	13,601	17,638

Discussion of operations

Twelve months ended May 31, 2026 and May 31, 2025.

During the twelve months ended May 31, 2026 (“current twelve-month period”), the Company recorded a net loss of \$1,624,526 compared to a net loss of \$1,119,840 for the twelve-month period ended May 31, 2025 (“comparative twelve-month period”).

This loss was due predominantly to general and administrative expenses of \$1,330,414 (including share-based payment expense of \$218,818), exploration and evaluation costs expensed of \$253,327, a loss on shares issued for debt of \$175,071 and a realised loss on the sale of financial assets of \$101,013. These costs were offset by the recognition of a gain due to the farm out arrangement with Tümad of \$137,009 and an unrealised gain on financial assets of \$156,869 which has increased from the prior year due to movements in share price and quantum of investment shares held from one period to the next.

These costs are detailed further below.

Management and administrative fees have increased in the current twelve-month period due mainly to increased audit fee and an increase in management and fees which had been reduced in the prior comparative period. The Company also incurred a consulting fee in the current period not in place in the prior comparative period.

The Company recognised a cost of \$218,818 in relation to 4,800,000 options issued in the current period. The portion of share-based payment cost recorded is based on the vesting schedule of the options and has increased from the prior period as no options had been issued,

Shareholder information and meetings costs have increased from the prior period due to an increase in activities promoting the private placement and recent agreement with Tümad and Verde Metals as well as costs incurred in relation to the AGM.

Office and general costs have increased marginally as activities of the Company increased in the current period due to the closing of the private placement in November 2025, agreement signed with Tümad in September 2025 and LOI with Verde Metals.

Travel costs have increased from the prior period due to travel required in relation to the completion of the Tümad earn-in agreement, LOI with Verde Metals and increased activities associated with the earn-in funding.

Loss on shares for debt of \$175,071 was recorded in the current period as a result of shares issued to management and non-executive directors and the repayment of promissory note during the period. The shares were measured at fair value on the date of issue and as a result a loss on debt conversion was recognised.

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

Exploration and evaluation costs of \$253,327 were expensed during the period, including \$53,046 relating to projects subject to the Tümad earn-in agreement, in accordance with the Company's accounting policy

Foreign exchange losses fluctuate from period to period depending on the level of activity and movement and foreign exchange movements.

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

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

SUMMARY OF QUARTERLY RESULTS

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

Period	Revenues \$	Net profit (loss) for the period \$	Net profit/(loss) per share for the period- basic \$	Net profit/(loss) per share for the period- diluted \$
Three months ended May 31, 2026	Nil	(534,085)	(0.01)	0.00
Three months ended February 28, 2026	Nil	(599,094)	(0.01)	0.00
Three months ended November 30, 2025	Nil	(422,049)	0.00	0.00
Three months ended August 31, 2025	Nil	(69,298)	0.00	0.00
Three months ended May 31, 2025	Nil	(688,117)	(0.03)	(0.03)
Three months ended February 28, 2025	Nil	(136,342)	0.00	0.00
Three months ended November 30, 2024	Nil	(280,396)	0.00	0.00
Three months ended August 31, 2024	Nil	(14,985)	0.00	0.00

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

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

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

The Company's net loss of \$534,085 for the fourth quarter of fiscal year 2026 has increased in relation to prior comparative periods due mainly to increased costs in relation to:

- Recognition of share payment expense due to the issue of 4,800,000 options in the current period
- management and administrative fees which have increased in the current twelve-month period due mainly to an increased audit fee and an increase in management fees which had been reduced in prior comparative periods as well as a new management consulting fee of \$20,967 being incurred.
- shareholder and information and meetings as the Company undertook increased investor relations activities in order to promote recent corporate activities of the Company.
- Travel costs have increased from prior comparative periods as a result of increased attendance at investor conferences and increased corporate travel in order to manage ongoing exploration and corporate activities.
- legal and office and general costs in line with increased corporate activities in the period and costs associated with the closure of the Swedish subsidiary.

Exploration and evaluation costs expensed increased in the current period as a result of the earn-in agreement with Tümad over the Finnish and Norwegian projects, with certain costs expensed in accordance with the Company's earn-in accounting policy, together with expenditure on the Solana project that was expensed during the period.

These costs were offset by the gain of \$137,009 recognised in the current period related to the Tümad earn in arrangement and the unrealised gain recognised on financial assets which can fluctuate from period to period due to the number of shares held and share price movements

The Company's net loss of \$599,094 for the third quarter of fiscal year 2026 has increased in relation to prior comparative periods due mainly to increased costs in relation to:

- Recognition of share payment expense due to the issue of 4,800,000 options in the current period
- management and administrative fees which have increased in the current nine-month period due mainly to an increased audit fee and an increase in management fees which had been reduced in prior comparative periods as well as a new management consulting fee of \$20,967 being incurred.
- shareholder and information and meetings as the Company undertook increased investor relations activities in order to promote recent corporate activities of the Company.
- legal and office and general costs in line with increased corporate activities in the period.
- exploration and evaluation costs expensed as a result of the earn-in agreement signed with Tümad over the Finnish and Norwegian projects.

These costs were offset by the gain of \$137,009 recognised in the current period related to the Tümad earn in arrangement and the unrealised gain recognised on financial assets which can fluctuate from period to period due to the number of shares held and share price movements

The Company's net loss of \$422,049 for the second quarter of fiscal year 2026 has increased in relation to prior comparative periods due mainly to increased costs in relation to:

- Recognition of share payment expense due to the issue of 4,500,000 options in the current period
- management and administrative fees which have increased in the current six-month period due mainly to an increased audit fee and an increase in management fees which had been reduced in prior comparative periods.
- shareholder and information and meetings as the Company undertook increased investor relations activities in order to promote recent corporate activities of the Company.
- legal and office and general costs in line with increased corporate activities in the period.

- exploration and evaluation costs expensed as a result of the earn-in agreement signed with Tümad over the Finnish and Norwegian projects.

These costs were offset by the gain of \$68,445 recognised in the current period related to the Tümad earn in arrangement and the unrealised gain recognised on financial assets which can fluctuate from period to period due to the number of shares held and share price movements.

The Company's net loss of \$69,298 for the first quarter of fiscal year 2026 has decreased in relation to prior comparative periods. Due mainly to the recognition of income from the one off Tümad payment on signing of the Letter of intent of \$68,564 and the unrealised gain recognised on financial assets held at August 31, 2025 of \$68,241 which offset other operating costs. Expenses have remained relatively consistent across the quarters with the exception of management and administrative fees which have increased in the current three-month period due mainly to an increased audit fee and an increase in management fees which had been reduced in prior comparative periods and exploration and evaluation costs expensed which have fluctuated across preceding quarters due to varying levels of the activities of the company.

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

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

The Company's net loss of \$280,396 for the second quarter of fiscal year 2025 is consistent with prior comparative periods. Expenses have decreased from prior periods with reductions in management fees and non-executive fees charged in the current period and a reduction in shareholder information and meetings and travel costs due to less investor relations activities being undertaken. Regulatory and transfer fees have increased mainly due to filing costs associated with the Company's stock option plan. Other costs have remained relatively consistent when compared to prior periods, with the exception of travel costs that have reduced a in line with reduced investor relation activities cross the comparative periods; and impairment costs recognized over exploration and evaluation costs which have fluctuated from period to period, along with losses recognised on the sale of the Company's various projects as a result of the various divestments of assets completed in prior periods. Share based payments expense have also reduced as a result of the cost for options issued being recognised over the vesting period of the options issued with no options being issued in the current period.

The Company's net loss of \$14,985 for the first quarter of fiscal year 2025 has decreased from prior comparative periods due mainly to the gain of \$313,292 recognised on the sale of the Company's interest in Sierra Blanca during the current period offsetting expenses incurred during the period. Expenses have remained relatively consistent when

compared to prior periods, with the exception of travel costs that have reduced across the comparative periods and management and administrative fees that have reduced in the current period. Impairment costs recognized over exploration and evaluation costs has fluctuated from period to period, along with losses recognised on the sale of the Company's various projects as a result of the various divestments of assets completed in prior periods.

SEGMENT INFORMATION

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

	May 31, 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

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2026 the Company had cash of \$418,548. The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company has incurred an accumulated deficit of \$28,360,697 at May 31, 2026 and has no current source of revenue. It is important to note the Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. In order to continue normal course of operations the Company is seeking additional equity funding, or alternative options, to fund ongoing exploration activities and to meet its current and ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding, or in securing alternative financing options. The Company has sought to conserve cash by reducing corporate activities where possible and to manage and repay existing trade creditors and employment payables where possible.

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

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

Operating Activities

During the twelve months ending May 31, 2026, the Company used \$1,644,804 (comparative twelve-month period –\$424,190) of cash to fund the ongoing operating activities of the Company and make payment of creditor balances owing. The cash used in operations reflects the loss for the period of \$1,624,526 (comparative twelve-month period loss: \$1,119,840) adjusted for the changes in working capital items such as accounts receivable and accounts payable and non-cash items. Non-cash items include unrealized gain on investments held at period end of \$156,869, gain recognised on earn-in arrangement with Tümad of \$137,009, realised loss recognised on financial assets of \$101,013, share based payment expense of \$218,818, loss on debt conversion of \$175,071 and interest recognised on the promissory note of \$13,601.

Investing Activities

During the twelve months ending May 31, 2026, the Company incurred a net cash inflow in investing expenditures of \$465,080 (comparative twelve month period inflow – \$339,951) due to the receipt of cash of \$760,320 from the non-refundable payment from Tümad on signing of the Letter of Intent in relation to the earn-in agreement, earn in funds received from Tümad of \$1,573,445 to be used on exploration projects subject to the earn-in agreement and the net proceeds of \$254,608 from the sale of Grit Metal and Teako shares in the current period. These inflows were offset by the final anniversary payment to Cullen of \$68,713 and payments for exploration expenditures of \$2,054,580.

Financing Activities

During the twelve months ending May 31, 2026 the Company recognised inflows of \$1,426,026 in relation to financing activities which included proceeds from share issue completed in November 2025 of \$1,500,000 offset by payment for share issue costs of \$14,182 and repayment of loan to a related party of \$59,792. Additionally, the Company settled aggregate management debt of \$202,889 with the issuance of 3,381,484 shares and repaid an additional \$59,718 of the loan with the issuance of 995,300 shares. All debt settlement shares were issued on December 30, 2025.

The Company does not generate operating cash flow from revenue-producing activities, and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. However, under the Tümad earn-in agreement, exploration expenditures in Finland and Norway are currently funded by Tümad

COMMITMENTS AND CONTINGENCIES

As part of the Teako agreement for the Lokken project Teako will assume payments of both the annual Lokken claim holding payments and the advanced royalty due to EMX starting September 30, 2024. Teako has also assumed the underlying NSR due to EMX upon the commencement of commercial production from the Lokken project.

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.

Hessjøgruva, Norway project – refer to Exploration projects section.

OFF BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING SHARE DATA

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

i) Outstanding share data as at September 28, 2026 is as follows:

	Price	Expiry date	Number of common shares
Common shares issued and outstanding			75,986,316
<i>Securities convertible into common shares</i>			
Warrants	\$0.07	July 24, 2027	1,056,000
Warrants	\$0.075	November 6, 2028	30,000,000
Options	4,500,000	November 10, 2028	4,500,000
Options	300,000	January 2, 2028	300,000
Options	500,000	July 7, 2029	500,000
Fully Diluted			112,342,316

ii) Movements in stock options during the twelve months ended May 31, 2026 and May 31, 2025:

	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

iii) Movements in warrants during the twelvemonths ended May 31, 2026 and May 31, 2025:

	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

EVENTS SUBSEQUENT TO MAY 31 , 2026

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 arrangement 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

RISKS AND UNCERTAINTIES

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

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

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

Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to

eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

Exploration Stage Company

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

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

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

Political or economic instability in countries where the Company operates

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

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

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

Competition

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

Title to Property

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

Personnel

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

Commodity Price Risk

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

TRANSACTIONS WITH RELATED PARTIES

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

a) Related party transactions

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

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

- (i) Consulting costs relate to ER Global (CEO) - \$198,000, Marketworks (Company Secretary) \$65,600, and Genco Professional Services (CFO) \$98,522, Jefferey Phillips (consulting fees) \$46,536 and non-executive director fees of \$63,028.

b) 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	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

On October 13, 2023, the Company entered into a convertible promissory note with a non-executive director for USD150,000 (\$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. Interest of \$13,601 (2025 - \$17,638) has been recorded in the twelve months ended May 31, 2026. Subsequent to the period 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 USD5,000 per months for 12 months and USD1,000 thereafter. The agreement also requires issue of 300,000 options at \$0.10. The options were issued on January 2, 2026. The Company considers J Phillips to form part of key management personnel.

On December 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). In accordance with regulatory and securities law the shares are being issued with a four month plus 1 day hold period trading restriction expiring on April 30, 2026

Refer to Liquidity and Capital Resources section for further details.

The remuneration for the services of key management personnel during the period 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 twelve months ended May 31, 2026, and May 31, 2025.

FINANCIAL RISK MANAGEMENT

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

a) Currency Risk

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

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

May 31, 2026	Cash	Receivables	Accounts payable and accrued liabilities	Promissory Note	Deferred consideration payable
	\$	\$	\$	\$	\$
US dollars	3,554	-	(63,832)	(129,014)	-
Swedish kroner	2,846	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)	-	-

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 or because they are non-interest bearing. At May 31, 2026, 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 consist of goods and services tax and taxes due from the government of Canada and Sweden. Management believes that the credit risk concentration with respect to receivables is limited.

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

c) Liquidity Risk

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

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), including a promissory note payable to a related party of \$129,014 and balances payable to related parties of \$331,254.

The Company continues to closely manage liquidity and relies on the financial support of its creditors and employees which enables the Group to defer payments which would otherwise be due and payable.

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).

CAPITAL MANAGEMENT

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

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

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

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

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

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

(ii) *Valuation of share-based payments*

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

(iii) *Non-cash transactions*

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

(iv) *Functional currency*

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

(v) *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.

ACCOUNTING STANDARDS

Principles of Consolidation

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

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

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

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.

APPROVAL

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

ADDITIONAL INFORMATION

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

FORWARD LOOKING INFORMATION

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

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

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

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

These factors include, but are not limited to, COVID 19 pandemic, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies, relative to the US dollar, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture

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