CAPELLA MINERALS LIMITED
8681 Clay Street
Mission BC
CANADA

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended August 31, 2026

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Form 51-102F1
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 Company's unaudited condensed interim consolidated financial statements for the three months ended August 31, 2026 and August 31, 2025 (the "Interim Financial Statements") and should be read in conjunction with the audited Annual Financial Statements ("Annual Financial Statements") for the years ended May 31, 2026 and 2025, together with the notes thereto

The effective date of this MD&A is October 30, 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
Solana IOCG	Spain	Copper, gold	Earn-In Agreement Modified September 30, 2026
Hessjøgruva*	Norway	Copper, cobalt, zinc	100% Capella

Project	Location	Principal Commodities	Capella Ownership
Northern Finland *(Killero E, Killero W, Saattopora W, Seisunselka, Jolhikko)*	Finland	Gold, copper	80% Capella - 20% Cullen Resources (Tümad 1% NSR)

*Subject to Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") Agreement.

Key Developments

Exploration and Development Portfolio

- The Company's exploration and development activities are currently focused on a portfolio of copper and copper-gold projects located in favorable mining jurisdictions in Europe. The portfolio includes:
    - the Solana Iron-Oxide Copper-Gold ("IOCG") project in Almeria Province, SE Spain
    - the Hessjøgruva Copper-Cobalt-Zinc ("Cu-Co-Zn") massive sulfide ("VMS") project in Trøndelag Province, Norway, and
    - a portfolio of 5 copper-gold ("Cu-Au") projects - Killerö E, Killerö W, Saattopora W, Seisunselka, and Jolhikko - located in the Kittilä district of the Central Lapland Greenstone Belt ("CLGB"), northern Finland.

- **Tümad Joint Venture Update**: Capella announced the signing of a Definitive Agreement with Turkish mining company Tümad Madencilik Sanayi Ve Ticaret A.S. ("Tümad") on September 2, 2025, with respect to a staged earn-in agreement on the Company's portfolio of precious and base metal projects in Norway and Finland. The Definitive Agreement 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 agreement was received at the Company AGM held on January 30, 2026.
    - On September 29, 2026, the Company announced that diamond drill permits had been issued by the Norwegian authorities for the Hessjøgruva Cu-Co-Zn project. In recognition of the delays associated with the granting of these permits, the Company granted Tümad an extension to the Year 1 investment commitment milestone (USD 2,500,000) to December 31, 2027. Drilling at both the Hessjøgruva project and select satellite Cu-Co-Zn targets is now expected to commence on July 1, 2027, with the primary aim of the program being to deliver a Canadian National Instrument 43-101 ("NI-43101") compliant Mineral Resource Estimate.
    - The Company also announced on September 29, 2026, that assay results had been received for the initial diamond drill program on two priority targets at the Killerö W project in northern Finland. Assays from Killerö W confirmed the presence of narrow intervals of high-grade vein-hosted copper (similar to Killerö E), but with limited gold. Upon completion of the Killerö W drill program, the Company advised that Tümad had met its minimum spend commitment (USD 1,250,000) for the northern Finland projects, but given results obtained to date, would not continue on 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 March 30, 2026, Capella announced that a reconnaissance Base of Till ("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.
- Original Capella-Cullen JV: 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.

- **Solana IOCG Project Update**: 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.
    - On September 30, 2026, the Company announced that, as a direct result of delays incurred in obtaining licence claim and work program approvals for Solana, a renegotiation of some of the terms of the earn-in agreement with Verde had been completed. 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 that a Pre Feasibility Study) within 72 months / 6 years. The remaining terms of the January 15, 2026, earn-in agreement are unchanged.

- **Norway - Other**:
    - 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.
    - Capella's Joint Venture partner and operator at the Løkken Cu-Co-Zn project, Teako Minerals Corp. (CSE: TMIN), announced on October 13, 2026, that it had entered in to a Definitive Agreement with EMX Scandinavia AB ("EMX") whereby it has relinquished its 90% interest in the Løkken project, and all related obligations to EMX are terminated. As a direct result of this decision, Capella's 10% interest in the project has also been relinquished with all obligations to EMX similarly being extinguished. The Company plans no further work in the Løkken district as the focus shifts to the Tümad funded drill program at Hessjøgruva.

Corporate

- **Director Appointments**: On 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 effective July 6 , 2026.
- **Promissory Note:** the Company has a promissory note with a former Non-Executive Director. In the period ended August 31, 2026, the maturity date was extended to December 31, 2026.
- **Options:** a total of 500,000 options were granted on July 7, 2026, to the newly appointed Non-Executive Director, Mr. Marcus Harden.
- **Cullen Resources Ltd. (Finland JV)**: The Company's increased interest (to 80%) in Cullen Finland Oy was registered in the period ending August 31, 2026.
- **Closure of Swedish subsidiary –** Final liquidation of the Company's Swedish subsidiary, Capella Minerals Sweden AB, 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 project is covered by three Exploration (Investigation) Permit Applications – Filabres 1, 2 and 3 – covering a total area of approximately 200 sq.km.

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.

On September 30, 2026, the Company announced renegotiated terms in relation to the Solana LOI.

Terms of the revised LOI:

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

that form part of this agreement or ii) Capella completes all items required as per Phase III of the Agreement.

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

During H1, 2026 (and to the date of this report), 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 December 31, 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 1-3 permit applications are 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 three months ended August 31, 2026, the Company paid earn -in funds of $17,090 related to the earn-in agreement with Verde Metals for the Solana IOCG project and expensed $19,078 to the Statement of Profit or Loss.

The Company has paid a total of $249,716 in earn-in funds to the Solana project. Of this amount $137,052 has been expensed to date 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 Kviteseid), Tümad has been 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 exceeded their minimum Year 1 investment commitment in USD 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 were 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.

*80% of Capella's interest in the project

In the three months ended August 31, 2026, the Company received $308,265 in exploration earn-in funding from Tümad Madencilik. Of the earn-in funding received this period, $293,799 has been recognised as exploration and evaluation expenditures.

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.

Reconciliation of unacquitted earn-in funds balance:

	August 31,2026 $
Opening balance	14,794
Cash received	308,265
Cash received – applied to E&E	-
Earn-in recovery – acquitted to E&E	(293,799)
Foreign exchange movements	7,329
Unacquitted earn-in funds balance	**36,589**

Reconciliation of earn-in recovery:

	August 31,2026 $
Opening balance	1,561,480
Earn-in funds received- E&E	308,265
Unacquitted earn -in funds - movement	(21,795)
Foreign exchange movements	7,329
Closing earn- in recovery balance	**1,855,279**

Exploration Projects - Finland

Northern Finland Gold-Copper Project *(Capella 80%)*

- 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 plc[1] 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 Killero 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 Province *(10% Capella – 90% Teako)*

- Capella's Joint Venture partner and operator at the Løkken Cu-Co-Zn project, Teako Minerals Corp. (CSE: TMIN), announced on October 13, 2026, that it had entered in to a Definitive Agreement with EMX Scandinavia AB ("EMX") whereby it has relinquished its 90% interest in the Løkken project, and all related obligations to EMX are terminated. As a direct result of this decision, Capella's 10% interest in the project was also relinquished with all obligations to EMX similarly being extinguished. The Company plans no further work in the Løkken district as the focus shifts to the Tümad funded drill program at Hessjøgruva.

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.

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	Total
	$	$	$	$
Balance May 31, 2025	**51,900**	**231,880**	**907,983**	**1,191,763**
Acquisition and tenure	-	7,622	-	7,622
Camp, travel, administration and other costs	-	-	-	-
Geologists and data collection	-	-	-	-
Sale of project	-	-	-	-
Provision for impairment /write down of exploration costs	-	-	-	-
Foreign exchange movement	-	1,985	15,803	17,788
Balance August 31, 2025	**51,900**	**241,487**	**923,786**	**1,217,173**
Acquisition and tenure	-	52,230	37,540	89,770
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	-	1,404	22,661	24,065
Balance May 31, 2026	**51,900**	**-**	**566,287**	**618,187**
Acquisition and tenure	-	8,348	47,406	55,754
Camp, travel, administration and other costs	-	-	1,349	1,349
Geologists and data collection	-	-	236,696	236,696
Provision for impairment /write down of exploration costs	(51,900)	-	-	(51,900)
Earn-in recovery	-	(8,348)	(285,451)	(293,799)
Foreign exchange movement	-	-	280	280
Balance August 31, 2026	**-**	**-**	**566,567**	**566,567**

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

OVERALL PERFORMANCE

During the three months ended August 31, 2026, the Company incurred a loss of $412,916 (August 31, 2025: $69,298). This loss was due predominantly to general and administrative expenses of $328,620, exploration and evaluation costs expensed of $28,953 and impairment provision for exploration and evaluation of $51,900.

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:

	August 31, 2026 **$**	**May 31, 2026** **$**	**May 31, 2025** **$**
Current assets	**434,363**	**709,218**	61,239
Non-current assets	**568,872**	**621,307**	1,393,594
Current liabilities	**1,077,176**	**997,261**	1,843,728
Total equity /(deficiency)	**(73,941)**	**333,264**	**(388,895)**

Included in current assets at August 31, 2026, is cash of $187,988 and receivables and deposits of $225,535. The deposits balance includes an environmental deposit in Spain in relation to the Solana project of $ 101,531 and $49,293 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 mainly due to expenditure on the Company's exploration projects and payment of corporate costs and payables owing incurred to support the Company's operations.

The non-current assets balance has reduced by $52,435 due mainly to recognition of an impairment provision of $51,900 over the Company's Lokken project in Norway due to Capella's Joint Venture partner Teako's decision to enter in to a Definitive Agreement with EMX whereby it has relinquished its 90% interest in the Løkken project. As a direct result of this decision, Capella's 10% interest in the project has also been relinquished. The Company plans no further work in the Løkken district as the focus shifts to the Tümad funded drill program at Hessjøgruva.

Current liabilities of the Company include accruals, accounts payable and other liabilities totalling $909,717. These balances can fluctuate from period to period depending on the level of exploration activity and corporate activities undertaken by the Company. At August 31, 2026 this liability balance is mainly comprised of payables related to exploration activities of $159,480, directors' fees (current and former) payable of $83,687, related party and management payables for accrued fees of $269,464, audit and tax fee accrual of $56,923 and other accounts payable related to general administrative and management expenditure of $340,163. Current liabilities balance also includes the promissory note entered into with a non-executive director for $130,870 and an unacquitted earn-in liability of $36,589 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.

The Company had an equity deficiency of $73,941 at August 31, 2026, compared with total equity of $333,264 at May 31, 2026, primarily reflecting the loss incurred during the three-month period.

RESULTS OF OPERATIONS

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

	August 31, 2026 $	August 31, 2025 $
Management and administrative fees	245,810	146,902
Provision for impairment – exploration and evaluation	51,900	-
General exploration and evaluation costs	28,953	4,380
Shareholder information and meetings	19,030	3,050
Professional fees	19,827	-
Share-based payments	13,909	-
Office and general	11,052	8,684
Travel	11,013	4,369
Regulatory and transfer agent fees	7,979	10,793
Loan interest and other	2,533	4,151
Foreign exchange (gain) /loss	820	7,971
Loss on sale of financial assets	-	31,745

Discussion of operations

Three months ended August 31, 2026 and August 31, 2025.

During the three months ended August 31, 2026 ("current three-month period"), the Company recorded a net loss of $412,916 compared to a net loss of $69,298 for the three-month period ended August 31, 2025 ("comparative three-month period").

This loss was due predominantly to general and administrative expenses of $328,620, exploration and evaluation costs expensed of $28,953 and impairment provision for exploration and evaluation of $51,900.

These costs are detailed further below.

Management and administrative fees have increased in the current three-month period due mainly to increased consulting fees of $84,289 where external consultants have been engaged to assist with local authorities in securing permits and assistance in identifying potential exploration projects as well as consulting fees incurred for Advisory Board member.

The Company recognised a provision for impairment of $51,900 over its Lokken project located in Norway due to Capella's joint venture partner, Teako's decision to relinquish its interest and as an extension Capella has also relinquished its interest in the Lokken project with no further work planned at Løkken.

During the three months ended August 31,2026 the Company expensed $28,953 in exploration costs of which $19,078 relates to the Solana project and $9,875 relates to projects subject to the Tümad earn-in agreement. These costs have been expensed in line with the Company's exploration and evaluation expenditure and farm out accounting policy.

Shareholder information and meetings costs have increased from the prior period due to the engagement of consultants to assist in investor relations and promote the Company's activities in relation to the exploration projects and earn-in arrangements.

Professional fees have increased in the current period due to legal fees and accounting fees incurred in relation to the closure of Swedish subsidiary.

Share base payments expense has increased in the current period due to the issue of 500,000 options to newly appointed director Mr. Marcus Harden which vested immediately.

Travel costs have increased from the prior period due to travel required in relation to the ongoing management of the Tümad earn-in agreement and discussions with Verde.

Regulatory and transfer agent fees have fluctuated from the prior period due to the timing of preparation for the AGM and variability in filings made.

Interest expense has decreased from the prior period due to the reduction in the promissory note balance through the shares for debt conversion of a portion of the balance owing.

Realized losses on financial assets have decreased due to the reduction in investment held by the Company when compared to the prior period.

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 qualifying acquisition and exploration and evaluation expenditures in accordance with its accounting policies. Capitalized exploration and evaluation costs are reviewed for indicators of impairment, including exploration results and changes in the Company's plans for individual properties. Accordingly, the timing and amount of impairment charges may vary from period to period and cannot generally 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 August 31, 2026	Nil	(412,916)	(0.01)	(0.01)
Three months ended May 31, 2026	Nil	(534,085)	(0.01)	(0.01)
Three months ended February 28, 2026	Nil	(599,094)	(0.01)	(0.01)
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

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 $412,916 for the first quarter of fiscal year 2027 has decreased marginally in relation to prior comparative periods due mainly to:

- Increase in share payment expense due to the issuance of options in the period which vested immediately.
- Increased consulting fees from prior periods due to advisory service fees incurred in relation to the securing Spanish property permits and ongoing property investigation.
- Increase in 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.
- Costs have been offset in prior quarters due to the variability in realised and unrealised losses and gains recognised due to the sale of investment shares held.

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.

SEGMENT INFORMATION

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

	August 31,2026 $	May 31,2026 $
Total non-current long-lived assets		
Norway	-	51,900
Finland	566,567	566,287
	566,567	**618,187**

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2026 the Company had cash of $187,988. 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 $28,773,613 at August 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.

Operating Activities
During the three months ended August 31, 2026, the Company used $172,286 (comparative three-month period – $44,618) 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 $412,916 (comparative three-month period loss: $69,298) adjusted for the changes in working capital items such as accounts receivable and accounts payable and non-cash items. Significant non-cash items include provision for impairment over the Lokken project of $51,900, share based payments expense of $13,909 and interest recognised on the promissory note of $2,533.

Investing Activities
During the three months ended August 31, 2026, the Company incurred a net cash outflow in investing expenditures of $58,094 (comparative three-month period inflow – $52,089) due to the receipt of cash of $308,265 in earn in funds received from Tümad to be used on exploration projects subject to the earn-in agreement These inflows were offset by payments for exploration expenditures of $366,359. In the prior period the Company received cash inflows from the sale of its investment shares and paid out its anniversary payment to Cullen.

Financing Activities
There were no financing activities in the current period or prior comparative period.

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.

COMMITMENTS AND CONTINGENCIES

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 October 30 2026 is as follows:

	Price	Expiry date	Number of common shares
Common shares issued and outstanding			75,986,316
Securities convertible into common shares			
Warrants	$0.07	July 24, 2027	1,056,000
Warrants	$0.075	November 6, 2028	30,000,000
Options	$0.10	November 10, 2028	4,500,000
Options	$0.10	January 2, 2028	300,000
Options	$0.10	July 7, 2029	500,000
Fully Diluted			**112,342,316**

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

	Options Outstanding	Weighted Average Exercise Price
Balance May 31, 2025	**-**	**-**
Balance August 31, 2025	**-**	**-**
Issued	4,800,000	$0.10
Balance May 31, 2026	**4,800,000**	**$0.10**
Issued	500,000	$0.10
Balance August 31, 2026	**5,300,000**	**$0.10**

iii) Movements in warrants during the three months ended August 31, 2026 and August 31, 2025:

	Warrants Outstanding	Weighted Average Exercise Price
Balance May 31, 2025	**3,934,028**	**$0.36**
Issued	**1,056,000**	**$0.075**
Balance August 31, 2025	**4,990,028**	**$0.30**
Issued	30,000,000	$0.075
Expired	(3,934,028)	$0.36
Balance May 31, 2026	**31,056,000**	$0.075
Balance August 31, 2026	**31,056,000**	$0.075

EVENTS SUBSEQUENT TO AUGUST 31 , 2026

The Company amended certain terms of its earn-in arrangements with Tümad in Norway and Finland. With respect to Norway, the Company advises that drill permits have been issued for the Hessjøgruva project and that, in recognition of the delays associated with the granting of these permits, Tümad has been granted an extension to the Year 1 investment commitment milestone (USD 2,500,000) until December 31, 2027. With respect to Finland, the Company noted that Tümad had met their minimum Year 1 investment commitment (USD 1,250,000) but, given the results obtained from diamond drilling at the Killerö E and Killerö W

projects, would not continue to Phase 2 of the earn-in agreement. As a result, Tümad's interest in the Finland projects will now revert to a 1% Net Smelter Royalty on any potential future production.

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.

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.

	August 31, 2026	August 31, 2025
	$	$
Management fees	136,096	100,091
Share-based payments	13,909	-

(i) Consulting costs relate to ER Global (CEO) - $49,500, Marketworks (Company Secretary) $18,000, and Genco Professional Services (CFO) $26,398, Jefferey Phillips (consulting fees) $21,175 and non-executive director fees of $21,023.

b) Related party balances recorded in current liabilities

	August 31, 2026	May 31, 2026
	$	$
Glen Parsons- Non-executive director	34,355	27,618
Perihelion Inc. – Mary Little - Non-executive director (resigned July 6, 2026)	161,043	156,632
Nursel Atar – Non-executive director	14,977	8,146
Marcus's Harden – Non-executive Director (appointed July 6, 2026)	4,182	-
Eric Roth - CEO	107,797	107,797
Genco Professional Services- S Cooper – CFO	132,223	130,631
Marketworks Inc. – Kathryn Witter Company Secretary	29,444	29,444

On October 13, 2023, the Company entered into a convertible promissory note with a non-executive director for USD 150,000 ($205,078 receipted). Interest accrued on the unpaid principal amount of this Note at the rate of 8% per annum, payable in quarterly installments on January 13, 2024, April 13, 2024, July 13, 2024, and at the Maturity Date being October 13, 2024, with the exception that the Company had the option to satisfy one quarterly payment of interest by the issuance of common shares. The promissory note holder had agreed to extend the maturity date to December 31, 2025. During the year ended May 31, 2026, $59,718 was paid by issue of 995,300 shares in partial payment of this note and the terms of the existing note were amended and restated for USD $133,177 (inclusive of principal and interest) bearing interest at 8% per annum). The maturity date of the note was extended to August 31, 2026. Interest of $2,533 (2025 - $4,151) has been recorded in the three months ended August 31, 2026. Refer to Note 7 for further details. During the three months ended August 31, 2026 the maturity date was extended to December 31, 2026.

Refer to *Liquidity and Capital Resources* section for further details.

On November 1, 2025, the Company entered into a consulting agreement with Jefferey Phillips to provide advisory services at USD 5,000 per month for 12 months and USD 1,000 per month thereafter. The agreement also requires issue of 300,000 options at $0.10. The options were issued on January 2, 2026.

On July 7, 2026 , the Company issued 500,000 options at $0.10 to newly appointed non-executive director Marcus Harden

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

		August 31, 2026 **$**	August 31, 2025 $
Salaries/Exploration/Consulting	(i)	136,096	100,091
Share-based payments		13,909	-

(i) Key management were not paid post-employment benefits or other long-term benefits during the three months ended August 31, 2026, and August 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

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

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

August 31, 2026	**Cash** **$**	**Receivables** **$**	**Accounts payable and accrued liabilities** **$**	**Promissory Note** **$**
US dollars	3,564	-	(13,377)	(130,870)
Swedish kroner	-	-	-	-
Euro	40,820	62,705	(106,048)	-
Australian dollars	867	-	(132,223)	-
Norwegian kroner	3,512	-	(85,621)	-
Great Britain pounds	641	-	(5,628)	-

At August 31, 2026 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase comprehensive loss by $36,166 (2025: $87,954).

c) 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 August 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 August 31, 2026 and August 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, Finland and Norway. 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.

d) Liquidity Risk

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

Liquidity requirements and the raising of funds are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at August 31, 2026 the Company had cash of $187,988 (May 31, 2026: $418,548) to settle current liabilities of $1,077,176 (May 31, 2026 - $997,261) which includes a promissory note payable to related party of $130,870 and balances to related parties of $484,021.

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.

e) 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.

f) Equity price risk

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

At August 31, 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 $230 (2025: $22,472).

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 in which its entities operate in and determined that the functional currency of its incorporated entities; Capella Minerals Norway AS is the Norwegian kroner and Cullen Finland Oy and Eurolithium Oy have been determined to be the Euro. The functional currency

of its other entities, including the parent is the Canadian dollar.

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(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 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, global pandemics, 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.