

BOND RESOURCES INC.

Condensed Interim Consolidated Financial Statements

For the period ended March 31, 2023 and 2022

(in United States dollars)

BOND RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2023 and 2022

(in United States Dollars)

(Unaudited)

	March 31, <u>2023</u>	June 30, <u>2022</u>
Assets		
Current assets:		
Cash	\$ 1,580	\$ 9,765
GST receivable	46,390	44,799
Prepaid expenses	-	4,608
Total current assets	47,970	59,172
Non-current assets:		
Property and equipment (Note 4)	96,105	334,592
Exploration and evaluation assets (Note 5)	-	1,420,788
Total non-current assets	96,105	1,755,380
Total assets	\$ 144,075	\$ 1,814,552
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (Note 3)	\$ 901,101	\$ 200,236
Due to related party (Note 3)	934,420	746,150
Total current liabilities	1,835,521	946,386
Shareholders' equity (deficiency)		
Share capital (Note 6)	8,796,384	8,796,384
Share-based payments reserve (Note 6)	720,368	720,368
Foreign currency translation reserve	(58,023)	(62,540)
Deficit	(11,150,175)	(8,586,046)
Total shareholders' equity (deficiency)	(1,691,446)	868,166
Total liabilities and shareholders' equity (deficiency)	\$ 144,075	\$ 1,814,552

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Notes 1 and 5)

Approved on behalf of the Board of Directors:

signed "Joseph Carrabba"

Director

signed "Robert Eadie"

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BOND RESOURCES INC.

Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss

For the periods ended March 31, 2023 and 2022
(in United States Dollars)
(Unaudited)

	Three months ending		Nine months ending	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Exploration costs				
Amortization (Note 4)	\$ 2,156	\$ 19,495	34,916	\$ 57,981
Assays	-	-	772	1,910
Drilling and supplies	2,552	40,820	3,912	298,046
Equipment rental	69,804	156,980	240,840	519,697
Insurance	16,524	39,634	57,742	92,883
Office and miscellaneous	4,065	29,456	21,800	110,036
Permitting	-	80	-	80
Salaries, wages and benefits	51,008	308,280	223,917	857,631
Travel and auto	6,612	15,241	19,395	34,269
Total exploration costs	152,721	609,986	603,294	1,972,533
Expenses				
Accounting and audit fees (Note 3)	1,409	5,860	30,651	46,588
Finance costs	90	30	90	165
Foreign exchange loss (gain)	226	(865)	168	(4,899)
Legal, consulting and corporate services (Note 3)	2,408	14	14,600	20,819
Management activities (Note 3)	20,545	46,009	71,491	151,473
Office, occupancy and administration (Note 3)	5,298	4,931	16,345	21,848
Shareholder communications (Note 3)	9,215	21,048	16,718	57,829
Transfer agent and filing fees	1,710	8,367	8,413	10,467
Total expenses	40,901	85,394	158,476	304,290
Other items				
Impairment of exploration and evaluation assets (Note 5)	26,000	-	1,698,788	-
Loss on sale of mining equipment	-	-	103,571	-
Net loss	(219,622)	(695,380)	(2,564,129)	(2,276,823)
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation of foreign operations	(252)	3,278	4,517	(14,707)
Comprehensive loss	\$ (219,874)	\$ (692,102)	\$ (2,559,612)	\$ (2,291,530)
Net loss per share Basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding - Basic and diluted	127,700,276	127,700,276	127,700,276	121,893,938

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BOND RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

For the period from July 1, 2021 to March 31, 2023

(in United States Dollars)

(Unaudited)

	Share Capital Number Amount		Share-Based Payments Reserve		Foreign Currency Translation Reserve		Deficit		Total
Balance, June 30, 2021	115,009,776	\$ 8,234,448	\$ 718,557	\$	(40,843)	\$	(5,833,682)	\$	3,078,480
Net and comprehensive loss	-	-	-		(27,288)		(751,848)		(779,136)
Balance, September 30, 2021	115,009,776	\$ 8,234,448	\$ 718,557	\$	(68,131)	\$	(6,585,530)	\$	2,299,344
Issuance of common shares	12,160,000	569,555	-		-		-		569,555
Share issue costs	530,500	(7,619)	1,811		-		-		(5,808)
Net and comprehensive loss	-	-	-		5,591		(2,000,516)		(1,994,925)
Balance, June 30, 2022	127,700,276	\$ 8,796,384	\$ 720,368	\$	(62,540)	\$	(8,586,046)	\$	868,166
Net and comprehensive loss	-	-	-		4,517		(2,564,129)		(2,559,612)
Balance, March 31, 2023	127,700,276	\$ 8,796,384	\$ 720,368	\$	(58,023)	\$	(11,150,175)	\$	(1,691,446)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BOND RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows

For the periods ended March 31, 2023 and 2022

(in United States Dollars)

(Unaudited)

	Period ending March 31, 2023	Period ending March 31, 2022
Operating Activities		
Net loss	\$ (2,564,129)	\$ (2,276,823)
Non cash item:		
Amortization	34,916	57,983
Loss from the sale of mining equipment	103,571	-
Impairment of exploration and evaluation assets (Note 5)	1,698,788	-
Changes in non-cash working capital:		
GST receivable	(1,591)	(10,971)
Prepaid expenses	4,608	(1,615)
Accounts payable and accrued liabilities	448,865	7,003
Net cash used in operating activities	(274,972)	(2,224,423)
Investing Activities		
Property and equipment (Note 4)	-	(14,150)
Proceeds from the sale of mining equipment	100,000	-
Exploration and evaluation assets (Note 5)	(26,000)	(328,908)
Net cash used in investing activities	74,000	(343,058)
Financing Activities		
Due to related party (Note 3)	188,270	436,150
Issuance of shares for cash (Note 6)	-	563,747
Net cash provided by financing activities	188,270	999,897
Decrease in cash	(12,702)	(1,567,584)
Effect of foreign exchange on cash	4,517	(14,706)
Cash, beginning of the year	9,765	1,621,563
Cash, end of the year	\$ 1,580	\$ 39,273

The accompanying notes are an integral part of these consolidated financial statements.

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2023

(all amounts are expressed in United States dollars)

(Unaudited)

1. Nature of Operations and Going Concern

Bond Resources Inc. (“Bond” or the “Company”) was incorporated on January 22, 2007 under the Business Corporations Act of British Columbia as J. Bond Capital Corporation. It did not commence operations until August 15, 2017. Bond changed its legal name to Bond Resources Inc. on November 16, 2018 and commenced trading on the Canadian Securities Exchange (the “CSE”) on May 2, 2019 under the trading symbol “BJB”.

On May 15, 2020, Bond acquired MJ Mining Inc. (“MJ Mining”). MJ Mining was incorporated on January 15, 2020 under the laws of British Columbia, Canada. MJ Mining’s 100% owned subsidiary, MJ Mining Corp., was formed on October 25, 2019 (originally under the name of MJ Mining LLC) under the laws of the State of Delaware, United States of America. The Company’s principal business activity is the exploration of mineral properties in the United States. The address of the Company’s corporate office is 750– 580 Hornby Street, Vancouver, British Columbia, Canada.

Acquisition by Bond Resources Inc. – Reverse Merger

On May 15, 2020, MJ Mining completed a share exchange agreement (“Agreement”) with Bond whereby Bond issued 62.2 million common shares to the shareholders of MJ Mining, for 100% of the issued and outstanding shares of MJ Mining. As a result, the acquisition of Bond resulted in a change of control, which transaction amounts to a reverse merger transaction (“Reverse Merger”). As a Reverse Merger, Bond is the legal parent, however, the accounting parent going forward is MJ Mining with the acquisition value being the net assets of Bond.

Going concern

The condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities as they become due. For the period ended March 31, 2023, the Company incurred a loss of \$2,564,129 and had negative cash flows from operations of \$274,972. These condensed interim consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize its assets and liabilities in other than the normal course of business and potentially at amounts materially different from those recorded in these condensed interim consolidated financial statements.

The Company is in the process of exploring its mineral property interests on the Mary K property in Idaho, USA. As of the date of these condensed interim consolidated financial statements, however, the Landowners have given notice of default on the Mary K property pursuant to the requirements of the property agreements and, if terminated, the Company will have no properties under exploration (please see Note 5 for status of properties and impairment of the Company’s Mary K property). The Company’s continuing operations and the underlying value and recoverability of the amounts shown for assets is entirely dependent upon the ability of the Company to obtain the necessary financing to continue operations. Currently, there are no financing arrangements in place.

These events and conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern and therefore may be unable to realize its assets and discharge its liabilities in the normal course of business.

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(all amounts are expressed in United States dollars)

(Unaudited)

2. Basis of Presentation

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). For the nine months ending March 31, 2023, these statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, and do not include all the information required for full annual financial statement. These condensed interim consolidated financial statements were approved and authorized for issuance on May 18, 2023 by the Board of Directors.

(b) Basis of Presentation and Measurement

These condensed interim consolidated financial statements have been prepared using the historical cost convention, except for certain financial instruments measured at fair value. These consolidated financial statements are prepared using the accrual method of accounting, except for cash flow information.

The consolidated financial statements are presented in United States dollars (“USD”), which is the functional currency of MJ Mining and MJ Mining Corp. The functional currency of Bond is the Canadian dollar (“CAD”).

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 of the Company’s June 30, 2022 audited annual financial statements.

3. Related Party Transactions

The following is a summary of charges incurred by the Company with key management personnel, consisting of the chief executive officer and president, chief financial officer, and directors:

Nine Month Period ended March 31,	2023	2022
Management fees	71,491	109,460
Total	\$ 71,491	\$ 109,460

The following is a summary of charges incurred by the Company with related parties, other than key management personnel:

Nine Month Period ended March 31,	2023	2022
Legal and corporate services	\$ -	\$ 10,465
Office, occupancy and administration	18,498	22,007
Shareholder communications	-	36,012
Total	\$ 18,498	\$ 68,484

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(all amounts are expressed in United States dollars)

(Unaudited)

3. Related Party Transactions (continued)

During the period ended March 31, 2023, Bond incurred operational expenses for accounting, office and legal and corporate services of \$18,498 (March 31, 2022 - \$32,472) from companies controlled by an officer and the secretary of the Company. Shareholder communication expenses of \$nil (March 31, 2022 - \$36,012) were charged to the Company by a person related to a director for services rendered.

Included in Bond's accounts payable and accrued liabilities at March 31, 2023 is \$152,441 (June 30, 2022 - \$57,963) owed to officers for management fees, accounting, office and legal and corporate services. Transactions with related parties are non-interest bearing and have no repayment terms.

During the period ending March 31, 2023, the CEO advanced an additional \$188,270 to the Company (June 30, 2022 - \$746,150) as an unsecured, non-interest bearing loan with no repayment terms for a total loan outstanding of \$934,420.

4. Property and Equipment

	Mining equipment	Vehicles	Total
Cost			
Balance June 30, 2021	\$ 497,208	\$ 24,769	\$ 521,977
Additions	14,150	-	14,150
Balance June 30, 2022	\$ 511,358	\$ 24,769	\$ 536,127
Disposals	(360,000)	-	(360,000)
Balance March 31, 2023	\$ 151,358	\$ 24,769	\$ 176,127
Accumulated Amortization, June 30, 2021	\$ (115,319)	\$ (8,738)	\$ (124,057)
Amortization	(72,546)	(4,932)	(77,478)
Accumulated Amortization, June 30, 2022	(187,865)	(13,670)	(201,535)
Disposals	156,429	-	156,429
Amortization	(31,217)	(3,699)	(34,916)
Accumulated Amortization, March 31, 2023	(62,653)	(17,369)	(80,022)
Net Carrying Amount, June 30, 2022	\$ 323,493	\$ 11,099	\$ 334,592
Net Carrying Amount, March 31, 2023	\$ 88,705	\$ 7,400	\$ 96,105

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited)

5. Exploration and Evaluation Assets

Acquisition Costs:	Mary K Property	Hard Cash Property	Total
Balance, June 30, 2021	\$ 1,116,788	\$ 2,000	\$ 1,118,788
Ground lease rent	104,000	-	104,000
Net profits royalty advance	200,000	-	200,000
Write-off	-	(2,000)	(2,000)
Balance, June 30, 2022	\$ 1,420,788	\$ -	\$ 1,420,788
Ground lease rent	78,000	-	78,000
Net profits royalty advance	200,000	-	200,000
Impairment	(1,698,788)	-	(1,698,788)
Balance, March 31, 2023	\$ -	\$ -	\$ -
Total Exploration and evaluation assets, June 30, 2022	\$ 1,420,788	\$ -	\$ 1,420,788
Total Exploration and evaluation assets, March 31, 2023	\$ -	\$ -	\$ -

Mary K Property

MJ Mining, through its US subsidiary MJ Mining Corp. and in exchange for MJ Mining's payment of non-refundable fees of \$350,000, was granted the exclusive option by the Landowners ("Landowners") to acquire, over a period of ten years, the right, title and interest in and to the Mary K Property (the "Agreement"). This right was free and clear of all charges, encumbrances, claims, royalties, or other interests, except for a 5% State Royalty, for a total purchase price of \$8,650,000 (the "Purchase Price") as follows:

- a) \$500,000 payable based upon the "Initial Closing"(paid).
- b) The balance of the Purchase Price, \$8,150,000 to be paid as a Net Profit Royalty ("NPR"), paid on a quarterly basis and will vary depending on the grade of gold realized from operations.

The NPR is also subject to certain minimum annual payments of:

- at least \$200,000 per year commencing in 2020 (paid for 2020 and 2021);
- at least \$4,075,000 must be paid, in aggregate, after five years; and
- at least \$8,150,000 must be paid, in aggregate, after 10 years.

In addition, in March 2020, MJ Mining entered into a ground lease ("Ground Lease") with certain arm's length parties for a mineral lease in the State of Idaho for the Mary K property. The Ground Lease commenced on April 1, 2020 and was to expire at the end of the tenth full lease year. MJ Mining has paid fixed rent in advance on the first day of each calendar quarter of \$26,000 (\$104,000 annually) up to the September 30, 2022 quarter end.

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(all amounts are expressed in United States dollars)

(Unaudited)

5. Exploration and Evaluation Assets (continued)

Mary K Property – (continued)

As at March 31, 2023, the Company was in arrears of the \$200,000 minimum annual payment (in lieu of the NPR) and \$52,000 in respect of the Ground Lease commitment. Under the terms of the Agreement, the Company has 30 days *after* the receipt of notice of default from the Landowners to rectify the default. The Company received a notice of default of the Agreement from the Landowners in January, 2023 and had until March 3rd to accept the terms of the notice to remedy the default or accept that the Agreement has been terminated. In March, 2023, the Landowners granted the Company an extension until May 3rd, and in May, 2023, granted a further extension until June 4, 2023 to remedy the default or accept that the Agreement has been terminated.

Management has decided to record an impairment of the full amount Mary K asset of \$1,698,788 at this time as there is no certainty that the Company will be successful in completing a financing and avoiding a default of the Agreement. This amount includes all minimum annual payments and property costs paid and owing to March 31, 2023.

Should the Company default on the agreement, it will no longer own any mining properties.

Hard Cash Property

In February, 2021, the Company and Winston Gold Corp. (“Winston”) (CSE: WGC) jointly entered into a Lease Agreement, with an option to purchase, (“the Agreement”) with Montana Reclaim LLC over nine mining claims covering approximately 166 acres in Montana, USA, more commonly known as the Hard Cash property (the “Property”). Bond and Winston were equal partners in the project, with Winston as the operator. The Company’s CEO is also a director of Winston. During the year ended June 30, 2022, management withdrew from the Agreement with Winston and, consequently, wrote off \$2,000 in costs associated with this Property.

Aspen Property

Pursuant to the reverse merger, the Company held a 100% interest in the Aspen property claim block located on the Nechako Plateau in British Columbia, Canada. During the year ending June 30, 2022, the Aspen property was sold for \$15,522 (CAD\$20,000) to a Company controlled by a Director and a gain on sale of exploration and evaluation assets of \$15,522 was recognized.

6. Share Capital

(a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of preferred shares, issuable in series.

(b) Issuances

On December 14, 2021, Bond completed Tranche 1 of its non-brokered private placement, raising \$569,555 (CAD\$729,600) in gross proceeds through the issuance of 12,160,000 units at a price of CAD\$0.06 per Unit. Each Unit is comprised of one common share and one-half common share purchase warrant, with each whole Warrant entitling the holder to purchase one common share of Bond at a price of CAD\$0.12 per share for a period of 2 years, provided that, if after the expiry of all resale restrictions, the closing price of the Company’s Shares is equal to or greater than \$0.25 per share for 20 consecutive trading days, the Company may, by notice to the Warrant holders, reduce the remaining exercise period of the Warrants to not less than

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2023

(all amounts are expressed in United States dollars)

(Unaudited)

6. Share Capital (continued)

b) Issuances - (continued)

30 days following the date of such notice. These warrants included in the unit offering were valued at \$nil under the residual value method. Aggregate compensation of \$5,808 (CAD\$7,440) in cash, 116,000 finders' warrants, valued at \$1,811 (CAD\$2,320) using the Black-Scholes option pricing model, (having the same general terms as the warrants forming part of the Units) and 530,500 common shares was issued by the Company as finders' fees, valued at \$12,424 (CAD\$15,915).

(c) Warrants

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Warrants	Exercise Price CAD	Expiry Date
18,336,829	\$0.16	March 30, 2026
2,300,600	\$0.16	May 7, 2026
6,196,000	\$0.12	December 14, 2023
26,833,429	\$0.15	

A summary of the Company's outstanding share purchase warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price CAD
Outstanding at June 30, 2021	40,996,521	0.28
Warrants Issued	6,196,000	0.12
Warrants Expired	(4,578,345)	0.40
Outstanding at June 30, 2022	42,614,176	\$ 0.24
Warrants Expired	(15,780,747)	0.40
Outstanding at March 31, 2023	26,833,429	\$ 0.15

During the period ended March 31, 2023, 15,780,747 warrants exercisable at \$0.40 per share expired unexercised.

(d) Share-based payments

The Company, in accordance with the policies of the Exchange, is authorized to grant share purchase options to directors, officers, employees and service providers to acquire up to 10% of common shares then outstanding (the "Plan"). Under the Plan, options may be granted at no less than the closing market price of the Company's shares on the day preceding the grant for a maximum term of 10 years. No amounts are paid or payable by the recipient on receipt and

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Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2023

(all amounts are expressed in United States dollars)

(Unaudited)

6. Share Capital (continued)

(d) Share-based payments - (continued)

the options are not dependent on any performance-based criteria. Share purchase options will vest when granted except where granted for investor relations activities which vest and may be exercised in accordance with the vesting provisions as to ¼ of the options each 3 months. A summary of the Company's outstanding stock options is presented below:

Number of Options	Exercise Price CAD	Expiry Date	Weighted Average Life Remaining (years)
415,000	\$0.20	June 24, 2024	1.23
3,530,000	\$0.30	May 25, 2025	2.15
3,945,000	\$0.29		2.05

A summary of the Company's outstanding stock options is presented below:

	Number of Options	Weighted Average Exercise Price CAD
Outstanding and exercisable at June 30, 2022 and March 31, 2023	3,945,000	\$ 0.29

7. Financial Instruments and Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. There were no changes to the Company's risk exposure during the period ended March 31, 2023.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its liquid financial assets, including cash. The Company limits its exposure to credit risk by dealing with well rated entities. Management believes credit risk to be low as its cash is held in a major financial institution in Canada and the United States.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company does not have any contractual obligations other than property payments (note 5), accounts payable and accrued liabilities which are due within the next 12 months, and due to related party, which is short term in nature. The Company has current assets of \$47,970 to settle current obligations of \$1,835,521.

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2023

(all amounts are expressed in United States dollars)

(Unaudited)

7. Financial Instruments and Risk Management *(continued)*

(b) Liquidity risk - *(continued)*

Obligations due in the period ended March 31,	2024	2025	2026	2027 and beyond
Trade and other payables	\$ 901,101	\$ -	\$ -	\$ -
Due to related party	\$ 934,420	\$ -	\$ -	\$ -

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types risk: currency risk, interest rate risk and other price risk.

i. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Bond is exposed to foreign currency exchange rate fluctuations as the Company trades on a Canadian Stock Exchange and raises funds in Canadian dollars. Canadian cash and accrued liabilities is CAD\$1,908 and CAD\$138,528 respectively, converted at \$1.3533 USD to CAD.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to changes in interest rates and is therefore not exposed to this risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Currently the Company does not have commercial operations and is therefore not exposed to this risk. Commodity prices generally fluctuate beyond the control of the Company. Factors which contribute to the fluctuation are, but not limited to, demand, forward sales, worldwide production, speculative hedging activities, and bank lending rates.

(d) Fair value of financial instruments

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the financial instrument:

- Level 1 fair value measurements are those derived from quoted prices (adjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (derived from prices).

BOND RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2023

(all amounts are expressed in United States dollars)

(Unaudited)

7. Financial Instruments and Risk Management *(continued)*

(d) Fair value of financial instruments - *(continued)*

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, accounts payable and accrued liabilities and due to related party approximates their fair values due to the short-term nature of these instruments.

8. Capital Management

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and provide returns for shareholders and to facilitate the development of its core business.

The Company considers shareholders' equity to be capital of the Company, in the amount of \$(1,691,446) (June 30, 2022 - \$868,166). The Company does not have any externally imposed restrictions on its capital.

The Company's strategy for managing capital did not change during the period ended March 31, 2023.

9. Segmented Information

The Company operates in two reportable geographical segments, being the United States and Canada, and one operating segment in the United States. All non-current assets are located in the United States.