MOONBOUND MINING LTD.
Condensed Interim Financial Statements
For the six months ended October 31, 2022 and the 94-days ended October 31, 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Moonbound Mining Ltd. (the "Company") have been prepared by and are the responsibility of management. These condensed interim financial statements for the six months ended October 31, 2022, have not been reviewed or audited by the Company's independent auditors.

Moonbound Mining Ltd.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at		October 31, 2022 (unaudited)		April 30, 2022 (audited)
ASSETS				
Current assets				
Cash	$	335,665	$	216,958
GST receivable		607		1,215
		336,272		218,173
Exploration and evaluation asset (Note 5)		70,000		70,000
Total assets	$	406,272	$	288,173
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	36,043	$	10,000
Due to a related party		-		2,500
		36,043		12,500
Non-current liabilities				
Demand loan (Note 9 & 10)		80,000		-
Total liabilities	$	116,043		12,500
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		357,250		338,750
Reserves (Note 6)		27,572		-
Deficit		(94,593)		(63,077)
Total shareholders' equity		290,229		275,673
Total liabilities and shareholders' equity	$	406,272	$	288,173

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 11)

These condensed interim financial statements were approved for issue by the Board of Directors on December 30, 2022 and signed on its behalf by:

"Ann Fehr" Director — *"David Eaton"* Director

Ann Fehr — David Eaton

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

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended October 31, 2022	Three Months Ended October 31, 2021	Six Months Ended October 31, 2022	94-Days Ended October 31, 2021
Expenses				
Audit fee	$ 7,300	$ -	$ 7,300	$ -
Management & Consulting (Note 10)	5,000	-	8,000	-
Filing fees	4,000	-	4,000	-
Interest expenses	603	-	603	-
Legal fees	11,113	3,098	11,113	3,098
Office and administrative	-	5	500	5
Loss and comprehensive loss for the period	$ 28,016	$ 3,103	$ 31,516	$ 3,103
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	7,635,000	6,888,462	7,616,803	6,885,484

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

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, July 30, 2021, date of incorporation	-	$ -	$ -	$ -	$ -
Private placements	6,750,000	303,750	-	-	303,750
Issuance of common shares for acquisition of exploration and evaluation assets	700,000	35,000	-	-	35,000
Loss and comprehensive loss for the period	-	-	-	(3,103)	(3,103)
Balance, October 31, 2021	7,450,000	$ 338,750	$ -	$ (3,103)	$ 335,647
Balance, May 1, 2022	7,450,000	$ 338,750	$ -	$ (63,077)	$ 275,673
Private placements	185,000	18,500	-	-	18,500
Special warrants	-	-	30,200	-	30,200
Special warrants issuance costs	-	-	(2,628)	-	(2,628)
Loss and comprehensive loss for the period	-	-	-	(31,516)	(31,516)
Balance, October 31, 2022	7,635,000	$ 357,250	$ 27,572	$ (94,593)	$ 290,229

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

(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended October 31, 2022	94-Days Ended October 31, 2021
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	$ (31,516)	$ (3,103)
Change in non-cash working capital items		
Accounts payable and accrued liabilities	26,043	-
Due to a related party	(2,500)	2,500
GST receivable	608	(128)
Net cash provided by (used in) operating activities	(7,365)	(731)
FINANCING ACTIVITIES		
Demand loan	80,000	-
Proceeds from private placements	18,500	283,000
Proceeds from special warrants issuance, net of issuance cost	27,572	-
Net cash provided by financing activities	126,072	283,000
Increase in cash for the period	118,707	282,269
Cash, beginning of period	216,958	-
Cash, end of period	$ 335,665	$ 282,269
Supplemental cash flow information		
Cash paid for interest during the period	$ -	$ -
Cash paid for income taxes during the period	$ -	$ -

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

1. Nature and Continuance of Operations

Moonbound Mining Ltd. (the "Company") was incorporated as a private company pursuant to the provisions of the British Columbia *Business Corporations Act* on July 30, 2021. The Company's head office address is 2820 – 200 Granville Street, Vancouver, British Columbia V6C 1S4. The registered and records office address is 600 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company's principal business activities include the acquisition and exploration of mineral property assets. On October 13, 2021, the Company entered into an option agreement (the "Option Agreement") with Cloudbreak Discovery PLC and Cloudbreak Discovery (Canada) Ltd. (together with Cloudbreak Discovery PLC "Cloudbreak") whereby the Company will make an aggregate of $145,000 in cash payments, incur an aggregate of $700,000 in expenditures on the property and issue 2,700,000 common shares to Cloudbreak in exchange for Cloudbreak's 100% undivided legal and beneficial interest in the YAK Property (the "Property") located in the Northwest Mining District in British Columbia.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Management recognizes that the Company will need to obtain additional financial resources in order to meet its planned business objectives. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements. Such adjustments could be material.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. Basis of Presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the period from incorporation on July 30, 2021 to April 30, 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. These condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on December 30, 2022.

(b) Basis of presentation

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. In addition, these condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

(c) Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

3. Significant Accounting Policies

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s audited financial statements for the period from incorporation on July 30, 2021 to April 30, 2022.

Accounting standard issued but not yet effective

International Accounting Standard (“IAS”) 1 Presentation of Financial Statements

IAS 1 has been amended to clarify classification of liabilities as current or non-current. The amendments are effective for the years beginning on or after January 1, 2023. The amendment is expected to have no impact for the Company.

4. Critical Accounting Estimates and Judgments

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed financial statements and reported amounts of expenses during the reporting period. These condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial information and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

4. Critical Accounting Estimates and Judgments (continued)

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following.:

Critical accounting estimates

Stock-based compensation

Share-based compensation is valued using the Black-Scholes option pricing model at the date of grant and expensed in profit or loss over vesting period of each award. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Critical judgments in applying accounting policies

Impairment of Exploration and Evaluation Asset

The net carrying value of an exploration asset is reviewed regularly for conditions that suggest potential indications of impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Asset

Option Agreement

The Company entered into the Option Agreement dated effective October 13, 2021 with Cloudbreak, pursuant to which Cloudbreak granted to the Company the option to acquire a 100% legal and beneficial interest in the Property from Cloudbreak (Note 1) by satisfying the following requirements:

(a) The Company paying an aggregate of $145,000 to Cloudbreak as follows:

- (i) $10,000 on October 13, 2021 (paid);
- (ii) $25,000 on April 13, 2022 (paid);
- (iii) $35,000 on or before the first anniversary of the Company completing a transaction that results in the Company's shareholders holding shares in a "reporting issuer" (as defined under applicable Canadian securities laws) that is listed on a recognized Canadian stock exchange (a "Go Public Transaction"); and
- (iv) $75,000 to Cloudbreak on or before the second anniversary of the Company completing a Go Public Transaction;

(b) The Company incurring an aggregate of $700,000 in mining work expenditures on the Property (or cash payments to Cloudbreak in lieu of all or any portion of such mining work expenditures) as follows:

- (i) $150,000 on or before the second anniversary of the Company completing a Go Public Transaction; and
- (ii) $550,000 on or before the third anniversary of the Company completing a Go Public Transaction; and

(c) The Company issuing an aggregate of 2,700,000 Common Shares to Cloudbreak as follows:

- (i) 700,000 Common Shares on October 13, 2021 (issued);
- (ii) 750,000 Common Shares on or before the first anniversary of the Company completing a Go Public Transaction; and
- (iii) 1,250,000 Common Shares on or before the second anniversary of the Company completing a Go Public Transaction.

The Option Agreement provides that the Company will be the operator of the Property during the option period. The Option Agreement also provides for the establishment of an area of mutual interest located up to and within three kilometres of the existing exterior boundaries of the Property, such that if a party acquires mineral interests within such area of mutual interest, the other party may elect to include such mineral interests as part of the Property for purposes of the Option Agreement.

At the exercise of the option, the Company will grant a 2% net smelter return (the "NSR") royalty to Cloudbreak. The Company will have the right to purchase one-half (or 1%) of the NSR for $1,500,000.

During the period from July 30, 2021 to April 30, 2022, the Company issued 700,000 shares with a fair value of $35,000 and made $35,000 cash payments to Cloudbreak.

During the six months ended October 31, 2022, no additional expenditure was made to exploration and evaluation asset.

Exploration and evaluation asset costs are set out below:

Balance – July 30, 2021, date of incorporation	$	-
Addition		70,000
Balance – April 30, 2022 and October 31, 2022	$	70,000

(Unaudited - Expressed in Canadian Dollars)

6. Share Capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On July 30, 2021, the Company issued 500,000 shares at a price of $0.005 per share for proceeds of $2,500.

On August 6, 2021, the Company issued 250,000 shares at a price of $0.005 per share for proceeds of $1,250.

On September 9, 2021, the Company issued 6,000,000 units of the Company at a price of $0.05 per unit for aggregate gross proceeds of $300,000 (the "Offering"). Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of $0.10 per share for a period of 5 years from the closing of the Offering. The common share purchase warrants are valued at $nil.

On October 13, 2021, the Company issued 700,000 shares for acquisition of exploration and evaluation assets (Note 5).

On May 19, 2022, the Company issued 185,000 shares at a price of $0.10 per share for proceeds of $18,500.

(b) Issued and outstanding (continued)

Common Share Purchase Warrants

Common share purchase warrant transactions and the number of common share purchase warrants outstanding are summarized below:

	Number of Warrants	**Weighted Average Exercise Price $**
Balance - July 30, 2021, date of incorporation	-	-
Issued	6,000,000	0.10
Balance – April 30, 2022 and October 31, 2022	6,000,000	0.10

Date of Expiry	**Number of Warrants Outstanding**	**Exercise Price $**
September 9, 2026	6,000,000	0.10

The weighted average remaining life of the common share purchase warrants as of October 31, 2022 is 3.86 years (April 30, 2022 – 4.36 years).

6. Share Capital (continued)

(c) Reserves

Special Warrants and Compensation Special Warrants

On May 19, 2022, the Company completed a private placement of 302,000 special warrants (each, a "Special Warrant) of the Company at a price of $0.10 per Special Warrant for gross proceeds of $30,200. In connection with the offering, the Company paid a total of $2,628 in cash commissions to the broker and issued a total of 200,000 compensation special warrants (each, a "Compensation Special Warrant"). Each Special Warrant and Compensation Special Warrant will be automatically exercised for one common share of the Company without additional consideration (a) at any time, at the discretion of the Company; (b) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the Common Shares upon conversion of the Special Warrants; or (c) on that date that is 18 months from the date of issuance of the Special Warrants. Subsequent to October 31, 2022 all Special Warrants and Compensation Special Warrants were converted to 502,000 common shares (Note 11).

7. Financial Instruments

IFRS 13 Fair Value Measurement establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value.

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The accounts payable and accrued liabilities and demand loan all have carrying amounts that approximate their fair values, due to either the short-term nature of these instruments or the attached market rate of interest. The Company's cash is carried at fair value in accordance with level 1 of the fair value hierarchy.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consists primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position. At October 31, 2022, the Company had a working capital of $300,229 (April 30, 2022 - $205,673).

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in interest rate. The Company is exposed to interest rate risk on its cash and debt instruments and has determined there is no material exposure related to interest rate risk as the debt has a fixed interest rate and interest earned on cash is not material.

8. Capital Management

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the period, and there were no external restrictions.

9. Demand loan

On September 7, 2022, the Company entered into loan agreements with three shareholders, including the Company's CEO and another director, for an unsecured demand loan of $80,000. The demand loan bears interest at an annual rate of 5%, to be calculated and paid monthly, and is repayable on demand. On December 12, 2022, the respective loans were agreed to postpone the payment due date of the debt and any interest related thereto to the date which is earlier of: (1) the date which is 366 days following the filing by the Company of a final prospectus with the British Columbia Securities Commission; and (2) January 1, 2024.

These loans are retractable by the lenders at any time, upon giving a demand notice. The Company is to utilize the funds in the pursuit of filing the Prospectus and executing exploration program.

10. Related Party Transactions

The Company's related parties include key management personnel and companies controlled and/or owned by officers and directors of the Company. Key management consists of the officers and directors who are responsible for planning, directing and controlling the activities of the Company. During the six months ended October 31, 2022, $5,000 was accrued to key management personnel (October 31, 2021 – $nil).

On September 7, 2022, the Company entered into loan agreements with three shareholders, including the Company's CEO and another director in the principal amount of $80,000 at an interest rate of 5% per annum (Note 9). At October 31, 2022, the loan from shareholders was $80,000 (2021 - $nil) and included in accrued liabilities was accrued interest of $603.

11. Subsequent Events

The Company completed a non-offering prospectus (the "Prospectus") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia. On December 19, 2022, the Company received receipt for its final Prospectus which triggered conversion of 302,000 special warrants and 200,000 compensation special warrants into 502,000 common shares (Note 6(c)).