MOONBOUND MINING LTD.

Financial Statements

For the year ended April 30, 2023 and period from incorporation to April 30, 2022

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Moonbound Mining Ltd

Opinion

We have audited the financial statements of Moonbound Mining Ltd (the "Company"), which comprise the statements of financial position as at April 30, 2023 and April 30, 2022 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and April 30, 2022, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
July 19, 2023

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

As at		April 30, 2023		April 30, 2022
ASSETS				
Current assets				
Cash	$	550,558	$	216,958
GST receivable		4,579		1,215
		555,137		218,173
Exploration and evaluation asset (Note 5)		70,000		70,000
Total assets	$	625,137	$	288,173
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	56,024	$	10,000
Due to a related party (Note 10)		-		2,500
Total liabilities		56,024		12,500
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		758,154		338,750
Deficit		(189,041)		(63,077)
Total shareholders' equity		569,113		275,673
Total liabilities and shareholders' equity	$	625,137	$	288,173

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 12)

APPROVED ON BEHALF OF THE BOARD:

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

Ann Fehr — David Eaton

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

Moonbound Mining Ltd.
Statements of Comprehensive Loss
For the year ended April 30, 2023 and the period from incorporation to April 30, 2022
(Expressed in Canadian Dollars)

	Year ended April 30, 2023	Period from July 30, 2021 (date of incorporation) to April 30, 2022
Expenses		
Administration and accounting (Note 10)	$ 35,713	$ -
Auditor fees	26,700	10,000
Consulting fees (Note 10)	10,375	20,000
Filing fees	22,852	-
Geological consultant expenses	3,700	28,015
Interest	2,093	-
Legal fees	20,297	4,955
Transfer agent and related	4,234	107
Loss and comprehensive loss for the year/period	$ (125,964)	$ (63,077)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	8,860,791	6,354,197

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

Moonbound Mining Ltd.
Statements of Changes in Shareholders' Equity
For the year ended April 30, 2023 and the period from incorporation to April 30, 2022
(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	-	-	-	(63,077)	(63,077)
Balance, April 30, 2022	7,450,000	338,750	-	(63,077)	275,673
Private placements	7,330,903	393,660	-	-	393,660
Share issuance costs	-	(1,828)	-	-	(1,828)
Special warrants	-	-	30,200	-	30,200
Special warrants issuance costs	-	-	(2,628)	-	(2,628)
Conversion of special and compensation warrants	502,000	27,572	(27,572)	-	-
Loss and comprehensive loss for the year	-	-	-	(125,964)	(125,964)
Balance, April 30, 2023	15,282,903	$ 758,154	$ -	$ (189,041)	$ 569,113

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

Moonbound Mining Ltd.
Statements of Cash Flows
For the year ended April 30, 2023 and the period from incorporation to April 30, 2022
(Expressed in Canadian Dollars)

	Year ended April 30, 2023	Period from July 30, 2021 (date of incorporation) to April 30, 2022
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the year/period	$ (125,964)	$ (63,077)
Change in non-cash working capital items		
Accounts payable and accrued liabilities	46,024	10,000
Due to a related party	(2,500)	2,500
GST receivable	(3,364)	(1,215)
Net cash used in operating activities	(85,804)	(51,792)
INVESTING ACTIVITY		
Acquisition of exploration and evaluation assets (Note 5)	-	(35,000)
Net cash used in investing activity	-	(35,000)
FINANCING ACTIVITIES		
Loan received	80,000	-
Loan payment	(80,000)	-
Proceeds from private placements, net of issuance cost	391,832	303,750
Issuance of special warrants, net of issuance cost	27,572	-
Net cash provided by financing activities	419,404	303,750
Increase in cash for the year/period	333,600	216,958
Cash, beginning of year/period	216,958	-
Cash, end of year/period	$ 550,558	$ 216,958
Supplemental cash flow information		
Cash paid for interest during the year/period	$ 2,093	$ -
Cash paid for income taxes during the year/period	$ -	$ -
Non-cash transactions:		
Fair value of shares issued for acquisition of E&E assets	$ -	$ 35,000

The accompanying notes are an integral part of these 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. (collectively, "Cloudbreak") whereby the Company will make an aggregate $145,000 in cash payments, incur an aggregate $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.

The Company's 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 financial statements do not give effect to any adjustments that 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 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, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges, such as the risk of higher inflation and the 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 financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS"), as issued by International Accounting Standards Board, and interpretations of the IFRS Interpretations Committee.

These financial statements were reviewed, approved and authorized for issue by the Board of Directors on July 19, 2023.

(b) Basis of presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (Note 3). In addition, these financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

(c) Functional and presentation currency

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

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently in the financial statements.

(a) Cash

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. The Company does not currently have any cash equivalents.

(b) Financial instruments

i) Recognition, classification and measurement

All financial assets are initially recorded at fair value and subsequently classified as measured at amortized cost, fair value through other comprehensive income or at fair value through profit or loss ("FVTPL"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. Significant Accounting Policies (continued)

(b) Financial instruments (continued)

i) Recognition, classification and measurement (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in net income (loss) for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method, net of any impairment allowance.

The Company has classified its cash, due to a related party and accounts payable and accrued liabilities at amortized cost.

ii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

(c) Impairment of financial assets at amortized cost

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

3. Significant Accounting Policies (continued)

(d) Exploration and evaluation asset

i) Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

ii) Exploration and evaluation expenditures

Upon acquiring the legal right to explore a mineral property (exploration and evaluation assets), all direct costs related to the acquisition of a mineral property are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and the decision to proceed with development are recognized in profit or loss as incurred, net of recoveries. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for impairment at least annually and if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Mining exploration tax credits for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year they are received.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration and evaluation assets.

Exploration and evaluation assets are classified as an intangible asset.

3. Significant Accounting Policies (continued)

(d) Exploration and evaluation asset (continued)

iii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

(e) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at least annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive income or loss.

(f) Income taxes

Income tax expense consists of current and deferred tax. Income tax is recognized in the statement of comprehensive income (loss), except to the extent that it relates to items recognized directly in equity.

i) Current income tax

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, and any adjustment to tax payable with regard to previous years.

3. Significant Accounting Policies (continued)

(f) Income taxes (continued)

ii) Deferred income tax

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(g) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company may issue units consisting of common shares and common share purchase warrants. The Company estimates the fair value of the common shares based on their market price on the share issuance date. The residual difference, if any, between the unit price and the fair value of each common share represents the fair value attributable to each warrant.

(h) Earning (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, computed by dividing the net earnings (loss) by the weighted average number of outstanding shares in issue during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss), except that the weighted average number of outstanding shares include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation, as the effect would be anti-dilutive.

3. Significant Accounting Policies (continued)

(i) New accounting standards or amendments issued but not yet effective

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 reporting periods beginning on or after January 1, 2023. The Company is still in the process of assessing the impact of these amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The amendments are effective for reporting periods beginning on or after January 1, 2023. The Company is still in the process of assessing the impact of these amendments.

4. Critical Accounting Estimates and Judgments

The preparation of these 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 financial statements and reported amounts of expenses during the reporting period. These 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.

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

There are no significant accounting estimates.

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.

4. Critical Accounting Estimates and Judgments (continued)

Critical judgments in applying accounting policies (continued)

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 (Note 1).

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 (January 9, 2024) 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**") (January 9, 2024); and
(iv) $75,000 to Cloudbreak on or before the second anniversary (January 9, 2025) 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 (January 9, 2025) of the Company completing a Go Public Transaction; and
(ii) $550,000 on or before the third anniversary (January 9, 2026) 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 (January 9, 2024) of the Company completing a Go Public Transaction; and
(iii) 1,250,000 Common Shares on or before the second anniversary (January 9, 2025) 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.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Asset (Continued)

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.

Exploration and evaluation asset costs are set out below:

Balance – July 30, 2021, date of incorporation	$	-
Addition		70,000
Balance – April 30, 2023 and April 30, 2022	$	70,000

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 for a period of five 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.

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 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.

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, without any additional compensation.

(Expressed in Canadian Dollars)

6. Share Capital (Continued)

Upon the Company's shares being listed on the CSE, certain common shares held by the Company's directors were subject to escrow. As at April 30, 2023, the Company had 724,500 common shares remaining in escrow which will be fully released over the next 33 months in semi-annual installments.

On March 3, 2023 and March 13, 2023 the Company closed two non-brokered private placements issuing 7,145,903 units at a price of $0.0525 per unit for gross proceeds of $375,160. Each Unit consists of one common share of the Company (a "Common Share") and one transferable Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share of the Company at an exercise price of $0.10 for a period of 24 months.

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	6,000,000	0.10
Issued	7,145,903	0.10
Balance, April 30, 2023	13,145,903	0.10

Common share purchase warrants issued as at April 30, 2023 are as follows:

Date of Expiry	Number of Warrants Outstanding	Exercise Price $
September 9, 2026	6,000,000	0.10
March 3, 2025	4,166,142	0.10
March 13, 2025	2,979,761	0.10
	13,145,903	

The weighted average remaining life of the common share purchase warrants as of April 30, 2023 is 2.54 (April 30, 2022 - 4.36) years.

7. Financial Instruments

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

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.

7. Financial Instruments (Continued)

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 April 30, 2023, the Company had a working capital of $499,113 (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 market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

Foreign currency risk

As at April 30, 2023, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

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 chief executive officer ("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. In March 2023, the demand loan and related interest for $2,093 was repaid in full at the option of the Company.

(Expressed in Canadian Dollars)

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 year ended April 30, 2023, $nil (275 days ended April 30, 2022 - $nil) was accrued for key management personnel.

The Company paid accounting and consulting fees to Fehr & Associates, a company with a common officer and director. During the year ended April 30, 2023, total fees paid to Fehr & Associates amounted to $45,082 (275 days ended April 30, 2022 - $nil).

As at April 30, 2023, $18,091 (April 30, 2022 - $2,500) is owed to Fehr & Associates and is included in accounts payable and accrued liabilities. The amounts owing are unsecured, non-interest bearing and have no specific terms of repayments.

11. Income Tax

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

		For the year ended April 30, 2023		For the period from July 30, 2021 (date of incorporation) to April 30, 2022
Loss before income taxes	$	(125,964)	$	(63,077)
Statutory income tax rates		27%		27%
Expected tax recovery		(34,010)		(17,031)
Tax benefits not recognized		34,010		17,031
Total current and deferred income tax recovery	$	-	$	-

The Company has the following deductible temporary differences for which no deferred tax assets has been recognized:

	2023	Expiry	2022	Expiry
Non-capital loss	$ 184,000	2042-2043	$ 63,000	2042
Share issuance cost	4,000	2044-2047	-	-
	$ 188,000		$ 63,000	

12. Subsequent Events

On June 23, 2023, the Company entered into a non-binding letter of intent (the "LOI") with Continental Lithium Africa Development Corporation. The LOI is a non-binding agreement which sets out the principal terms on which the parties have agreed to complete the proposed transaction in connection with seven mining licenses located in Namibia. The Company advanced a refundable deposit of $100,000 to Continental Lithium Africa Development Corporation.