

MOONBOUND MINING LTD.

Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW
OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated 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 the Company's management. These unaudited condensed interim financial statements as at July 31, 2023 and for the three months then ended are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements.

Moonbound Mining Ltd.
Condensed Interim Statements of Financial Position
(Unaudited – expressed in Canadian Dollars)

As at	July 31, 2023 (unaudited)	April 30, 2023 (audited)
ASSETS		
Current assets		
Cash	\$ 301,732	\$ 550,558
GST receivable	14,208	4,579
Deposit (Note 11)	100,000	-
	415,940	555,137
Exploration and evaluation asset (Note 5)	70,000	70,000
Total assets	\$ 485,940	\$ 625,137
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 85,682	\$ 56,024
Total liabilities	85,682	56,024
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	758,154	758,154
Deficit	(357,896)	(189,041)
Total shareholders' equity	400,258	569,113
Total liabilities and shareholders' equity	\$ 485,940	\$ 625,137

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 September 28, 2023 and signed on its behalf by:

“Ann Fehr” Director
Ann Fehr

“David Eaton” Director
David Eaton

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

Moonbound Mining Ltd.
Condensed Interim Statements of Comprehensive Loss
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

	Three months ended July 31, 2023	Three months ended July 31, 2022
Expenses		
Administration and accounting (Note 10)	\$ 7,535	\$ 500
Auditor fees	9,263	-
Consulting fees (Note 10)	50,000	3,000
Filing fees	5,475	-
Exploration and evaluation (Note 5)	68,868	-
Legal fees	21,722	-
Investor and communications	4,648	-
Transfer agent and related	1,344	-
Loss and comprehensive loss for the period	\$ 168,855	\$ 3,500
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	15,282,903	7,598,407

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

Moonbound Mining Ltd.
Statements of Changes in Shareholders' Equity
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, April 30, 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	-	-	-	(3,500)	(3,500)
Balance, July 31, 2022	7,635,000	357,250	27,572	(66,577)	318,245
Balance, April 30, 2023	15,282,903	\$ 758,154	\$ -	\$ (189,041)	\$ 569,113
Loss and comprehensive loss for the period	-	-	-	(168,855)	(168,855)
Balance, July 31, 2023	15,282,903	\$ 758,154	\$ -	\$ (357,896)	\$ 400,258

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

Moonbound Mining Ltd.
Condensed Interim Statements of Cash Flows
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

	Three Months Ended July 31, 2023	Three Months Ended July 31, 2022
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	\$ (168,855)	\$ (3,500)
Change in non-cash working capital items		
Accounts payable and accrued liabilities	29,658	(1,351)
Due to a related party	-	(2,500)
GST receivable	(9,629)	(400)
Deposit	(100,000)	(3,020)
Net cash used in operating activities	(248,826)	(10,771)
FINANCING ACTIVITIES		
Proceeds from private placements, net of issuance cost	-	18,500
Issuance of special warrants, net of issuance cost	-	27,572
Net cash provided by financing activities	-	46,072
(Decrease) Increase in cash for the period	(248,826)	35,301
Cash, beginning of period	550,558	216,958
Cash, end of period	\$ 301,732	\$ 252,259
Supplemental cash flow information		
Cash paid for interest during the period	\$ -	\$ -
Cash paid for income taxes during the period	\$ -	\$ -

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

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 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 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 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, 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.

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

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 year ended April 30, 2023, 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 September 28, 2023.

(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, 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 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 consolidated financial statements follow the same accounting principles and methods of application as those disclosed in Note 3 of the Company’s Annual Financial Statements as at April 30, 2023 and for the year then ended.

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 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.

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.

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

4. Critical Accounting Estimates and Judgments (continued)

Critical judgments in applying accounting policies

Impairment of exploration and evaluation asset

Critical judgments in applying accounting policies (continued)

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 (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

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

5. Exploration and Evaluation Asset (Continued)

(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.

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 31, 2023, April 30, 2023 and April 30, 2022	\$	70,000
--	----	--------

The following table summarizes the exploration and evaluation expenses incurred during the periods ended:

	Three months ended	
	July 31, 2023	July 31, 2022
Analytical and sample related	4,296	\$ -
Geological consultants	22,975	-
Mapping and modelling	2,500	-
Project supervision	7,539	-
Supplies & other	11,786	-
Transport, travel and related	25,543	-
Cost recovery: BC METC	(5,771)	-
Total	\$ 68,868	\$ -

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(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 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.

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 July 31, 2023, the Company had 603,750 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.

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

6. Share Capital (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, April 30, 2022	6,000,000	0.10
Issued	7,145,903	0.10
Balance, April 30, 2023	13,145,903	0.10
Issued	-	0.10
Balance, July 31, 2023	13,145,903	0.10

Common share purchase warrants issued as at July 31, 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 July 31, 2023 is 2.29 (April 30, 2023 – 2.54) years.

7. Financial Instruments and financial risk

Fair value

As at July 31, 2023, the Company's financial instruments consist of cash, deposit and accounts payable.

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.

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

7. Financial Instruments (Continued)

The fair value of cash and deposits are based on Level 1 inputs. There are no Level 2 or Level 3 financial instruments.

The Company's financial instruments include cash, deposits and accounts payable. Cash and deposits are measured at fair value, whereas account payable is measured at amortized cost.

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 July 31, 2023, the Company had a working capital of \$330,258 (April 30, 2023 - \$499,113).

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 July 31, 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.

Moonbound Mining Ltd.
Notes to the Condensed Interim Financial Statements
For the three months ended July 31, 2023 and 2022
(Unaudited - expressed in Canadian Dollars)

9. 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 period ended July 31, 2023, \$30,000 (July 31, 2022 - \$nil) was paid for key management personnel.

The Company paid accounting and administration to Fehr & Associates, a company with a common officer and director. During the period ended July 31, 2023, total fees paid to Fehr & Associates amounted to \$7,536 (July 31, 2022 - \$nil).

As at July 31, 2023, \$Nil (April 30, 2023 - \$18,091) 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.

10. Subsequent Events

Subsequent to July 31, 2023, the Company closed the assignment agreement (the "Assignment") with Continental Lithium Africa Development Corporation. Pursuant to the transaction, the Company issued 12,000,000 units (each, a "Unit") in the capital of the Company, at a deemed price of \$0.12 per Unit in consideration for the Assignment. Each Unit consists of one common share of the Company and one share purchase warrant with each share purchase warrant entitling the holder to acquire one common share at an exercise price of \$0.20 for a period of two years from the date of the closing of the transaction. In June 2023, the Company had advanced a refundable deposit of \$100,000 to Continental Lithium related to the transaction.

In addition, the Company paid a finders' fee equal to 1,250,000 units in the capital of the Company, at a deemed price of \$0.19 per unit, with each unit consisting of one Share and one share purchase warrant with each warrant entitling the holder to acquire one Share at an exercise price of \$0.25 for a period of two years from the date of the closing of the transaction.