

MOONBOUND MINING LTD.

Moonbound Mining Announces Execution of Definitive Agreement with 1442160 B.C. Ltd. for the Acquisition of an interest in and to the Norrabees Lithium Project

VANCOUVER, BC - January 5, 2024 - Moonbound Mining Ltd. (the "Company") (CSE: MML) announces that, further to its news release dated December 15, 2023, it has entered into a share exchange agreement (the "Share Exchange Agreement") dated January 3, 2024, with 1442160 B.C. Ltd. ("NumberCo"), a private arm's length company incorporated under the laws of British Columbia, pursuant to which the Company will acquire all of the issued and outstanding common shares of NumberCo from the shareholders of NumberCo (each, a "NumberCo Shareholder") (the "NumberCo Transaction").

About NumberCo

NumberCo is a private British Columbia corporation whose wholly-owned subsidiary, Norrabees Lithium (SA) Limited ("Norrabees"), a company incorporated under the company laws of the Republic of Mauritius, is party to a Sale of Shares Agreement (the "Sale of Shares Agreement") dated December 13, 2023 among Norrabees, Dune Resources Proprietary Limited ("Dune"), and SPH Kundalila Proprietary Limited ("SPH"), pursuant to which Norrabees has the right to acquire all of the issued and outstanding share of Dune from SPH (the "Dune Transaction").

In accordance with the Sale of Shares Agreement, the Dune Transaction is to be completed in three parts: part A to be comprised of the sale of 3,124 shares (each, a "Dune Share") in the capital of Dune, constituting approximately 40% of the total issued and outstanding Dune Shares; part B to be comprised of the sale of 3,124 Dune Shares, constituting approximately 40% of the total issued and outstanding Dune Shares; and part C to be comprised of the sale of 1,562 Dune Shares, constituting approximately 20% of the total issued and outstanding Dune Shares.

Dune holds 65% of the issued and outstanding shares of Namli Exploration & Mining Proprietary Limited ("Namli"), a private limited liability company under the laws of the Republic of South Africa (the "RSA"), which company holds a mining permit (the "Mining Permit") bearing State Department of Mineral Resources and Energy ("DMRE") reference number NC30/5/3/10950MP, for the minerals lithium ore, nickel, manganese, lead, copper, iron, cobalt, gold, zinc, silver, tungsten, uranium, beryllium, rare earths and tantalum and a prospecting right (the "Prospecting Right"), bearing DMRE reference number: NC30/5/1/1/2/11823PR, for the minerals beryllium ore, copper ore, lead, lithium ore, nickel ore, rare earths, silver ore, tantalum/niobium ore, tungsten ore, uranium ore and zinc ore, both in respect of that portion of the remainder of Farm Steinkopf No. 22, situated in the Magisterial District of Namaqualand, RSA (the "Norrabees Lithium Project"). In connection with the Dune Transaction, Dune will increase its ownership of Namli from 65% to 100% such that it will become a wholly-owned subsidiary of Dune.

About the Norrabees Lithium Project

The Norrabees Lithium Project is located in the Namakwa District Municipality, Northern Cape, RSA, some 80km north of Springbok and directly south of the Orange River and the border with Namibia. Access to the licenced area is gained by following the N7 north from Springbok for 62km and then turning on to a spur road for approximately 21km to the mine site. The Prospecting Right covers the majority of the eastern portion of the Namaqualand Pegmatite belt, extending to a total area of 167,000ha. The Mining Permit covers a total area of 5ha, which has been demarcated to include the Norrabees 1 & 11 projects.

NumberCo Transaction Summary

Pursuant to the terms of the Share Exchange Agreement, the Company will acquire all of the issued and outstanding NumberCo Shares from the NumberCo Shareholders in consideration for the issuance of an aggregate of 38,000,000 common shares (each, a “**Consideration Share**”) in the capital of the Company at a deemed price of \$0.30 per Consideration Shares and 19,000,000 common share purchase warrants (each, a “**Consideration Warrant**”) to the NumberCo Shareholders on a pro rata basis, such that, immediately following the closing of the NumberCo Transaction, all of the issued and outstanding NumberCo Shares will be owned by the Company and NumberCo will become a wholly-owned subsidiary of the Company.

Each Consideration Warrant will entitle the holder to purchase one common share in the capital of the Company at an exercise price of \$0.40 for a period of three years after the date of issuance of the Consideration Warrants.

Upon closing of the NumberCo Transaction, it is expected that Ann Fehr will resign as Chief Executive Officer (“**CEO**”) of the Company and in her place James Lumley will be appointed. No other changes to the existing management or board of directors of the Company are contemplated.

There is no change of control of the Company expected to occur as a result of the NumberCo Transaction.

In connection with the NumberCo Transaction, 2,000,000 common shares of the Company are anticipated to be issued to an eligible finder (the “**Finder**”) as a finder’s fee in consideration for the Finder’s services in facilitating the identification of the Transaction between the Company and NumberCo. It is anticipated that the finder’s fee will be paid on closing.

James Lumley

James Lumley is an experienced professional in the mining and resource sectors, as well as property investment. Mr. Lumley has held various executive positions, including CEO, Business Unit Head, and Project Director. Mr. Lumley was previously the Business Unit Head of Guinea at TerraCom Resources (now TerraCom Limited (ASX: TER)), where he was responsible for managing and developing potential bauxite and iron ore projects. Previously, he served as CEO at Anglo-African Minerals plc., RAM Resources Pty., and NAMA Resources Limited, successfully securing millions of dollars in funding and managing government relations in multiple countries.

Mr. Lumley holds an MBA in finance and business studies and has completed graduate banking and financing exams. He also has a history of building strong working relationships with government bodies, investors, and financial institutions, and has successfully negotiated several major deals and memoranda of understanding throughout the African continent.

Conditions to the Closing of the NumberCo Transaction

The completion of the NumberCo Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including, but not limited to: (i) the Company having had the reasonable opportunity to perform searches and other due diligence, and being satisfied with the results of such due diligence; (ii) receipt of all requisite consents, waivers and approvals for the NumberCo Transaction; (iii) the absence of any material adverse change in the business, affairs or operations of NumberCo; and (iv) the appointment of James Lumley as CEO.

The Company will file a Form 51-102F4 – *Business Acquisition Report* (“**BAR**”) including the audited financial statements for NumberCo and file a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* technical report on the Norrabees Lithium Project. The Consideration Shares will be subject to an CSE-imposed hold until at least 10 days following the filing of the BAR.

The CSE may, in its sole discretion upon review of any additional information, determine that additional conditions may be necessary or that the transaction should be treated in accordance with Policy 8 as a Fundamental Change.

About the Company

Moonbound Mining Ltd. is a mineral exploration company which currently has two exploration projects and is seeking to acquire additional mineral exploration properties. The current projects include the Yak Property, located in northwestern British Columbia, Canada, and the Strathmore Property, which includes seven mining licenses located in Namibia, South Africa.

For further information, please refer to the Company's disclosure record on SEDAR+ (www.sedarplus.ca).

For more information please contact:

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Forward-Looking Statements:

This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian legislation. Forward-looking statements are typically identified by words such as: “believes”, “expects”, “anticipates”, “intends”, “estimates”, “plans”, “may”, “should”, “would”, “will”, “potential”, “scheduled” or variations of such words and phrases and similar expressions, which,

by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. All statements in this news release that are not purely historical are forward-looking statements and include statements regarding beliefs, plans, expectations and orientations regarding the future. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that the requisite approvals for the completion of the NumberCo Transaction may not be obtained, including that of the CSE; that the Company or NumberCo, as applicable, may be unable to satisfy any or all closing conditions necessary for the completion of the NumberCo Transaction; and other risks that are customary to transactions of this nature. Other factors may also adversely affect the future results or performance of the Company, including general economic, market or business conditions, future prices of minerals, changes in the financial markets and in the demand for minerals, changes in laws, regulations and policies affecting the mineral exploration industry, as well as the risks and uncertainties which are more fully described in the Company's annual and quarterly management's discussion and analysis and in other filings made by the Company with Canadian securities regulatory authorities under the Company's SEDAR profile. The ongoing labour shortages, inflationary pressures, rising interest rates, the global financial climate and the conflicts in both Ukraine and Palestine and surrounding regions are some additional factors that are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position, and future prospects. Collectively, the potential impacts of this economic environment pose risks that are currently indescribable and immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly, are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements. The Company does not undertake any obligation to update such forward-looking information whether because of new information, future events or otherwise, except as expressly required by applicable law.

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.