Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Moonbound Mining Ltd. (the "**Company**")
Suite 2820 – 200 Granville Street
Vancouver, British Columbia, V6C 1S4

1.2 Executive Officer

The name, position and business telephone number of an executive officer who is knowledgeable about this significant acquisition and this Form 51-102F4 – *Business Acquisition Report* (this "**Report**") is as follows:

James Lumley
Chief Executive Officer and President
Telephone: +44.7825.222.623

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Pursuant to the terms of a securities exchange agreement dated January 3, 2024, as amended January 29, 2024 (the "**Securities Exchange Agreement**") with 1442160 B.C. Ltd. ("**NumberCo**"), a private arm's length British Columbia corporation, the Company acquired all of the outstanding common shares of NumberCo (collectively, the "**NumberCo Shares**") from the shareholders of the Company (collectively, the "**NumberCo Shareholders**"), in exchange for common shares (each, a "**Share**") in the capital of the Company (the "**Transaction**").

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.

2.2 Acquisition Date

Closing of the Transaction (the "**Closing**") occurred on January 29, 2024.

2.3 Consideration

Pursuant to the terms of the Share Exchange Agreement, the Company acquired all of the issued and outstanding NumberCo Shares from the NumberCo Shareholders and, as consideration, issued 38,000,000 common shares (each, a "**Consideration Share**") in the capital of the Company, at a deemed price of $0.30 per Consideration Share, and 19,000,000 common share purchase warrants (each, a "**Consideration Warrant**") to the NumberCo Shareholders on a pro rata basis. Each Consideration Warrant entitles the holder to purchase one common share in the capital of the Company (each, a "**Share**") at an exercise price of $0.40 for a period of three years after the date of issuance of the Consideration Warrants.

Pursuant to the terms of a finder's fee agreement, an arm's length finder (the "**Finder**") was issued an aggregate of 2,000,000 Shares (collectively, the "**Finder's Shares**") at a deemed price of $0.30 per Finder's Share in connection with the Transaction. The Finder's Shares are subject to a statutory hold period of four months and a day pursuant to relevant Canadian securities laws.

Following closing of the Transaction, the Company has 82,657,903 Shares issued and outstanding on an undiluted basis.

2.4 Effect on Financial Position

Upon completion of the Transaction, NumberCo became a wholly-owned subsidiary of the Company. The business and operations of NumberCo have been combined with those of the Company and are managed concurrently.

The Company has no current plans or proposals for material changes in its business affairs or the affairs of NumberCo which may have a significant effect on the financial performance and financial position of the Company.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The Transaction was not with an informed person, associate or affiliate of the Company.

2.7 Date of Report

April 15, 2024

Item 3 Financial Statements

The audited financial statements of NumberCo for the period from incorporation on September 29, 2023 to December 31, 2023 are attached hereto as Schedule "A".

The Company has obtained the consent of the auditors to include the audit report on the audited financial statements of NumberCo for the period from incorporation on September 29, 2023 to December 31, 2023 contained in this Report.

SCHEDULE "A"

NumberCo Financial Statements

[*See Attached*]

1442160 BC Ltd.

Consolidated Financial Statements

For the period from incorporation on September 29, 2023 to December 31, 2023

(Expressed in Canadian Dollars)

Link-It Accounting and Financial Services Inc.
2182 Rufus Drive
North Vancouver, BC, V7J 3P9
Canada
Tel: 1-604-786-3630

April 13th, 2024

Independent Auditor's Report

To the Board of Directors of 1442160 BC Ltd.:

Opinion

I have audited the consolidated financial statements of 1442160 BC Ltd. (the Company), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of loss and comprehensive loss, statement of changes in equity and cash flows for the period from incorporation (September 29, 2023) to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the period from incorporation (September 29, 2023) to December 31, 2023, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss from operations for the period from incorporation (September 29, 2023) to December 31, 2023 and has a net working capital deficiency of $2,685,913 as at December 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 my 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatements of the consolidated 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 doubt on the Company's ability to continue as a going

concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions that may cause the Company to cease continue as a going concern.

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

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

Link-It Accounting and Financial Services Inc.

Link-It Accounting and Financial Services Inc.
Chartered Professional Accountant
Licensed to Practice Public Accounting in British Columbia by CPABC
Vancouver, BC
April 13th, 2024

1442160 BC Ltd.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
As at December 31, 2023

ASSETS		
Current assets		
Cash	$	18,562
Subscription receivable (Note 6)		6,001
		24,563
Non-current assets		
Exploration advance (Notes 5 and 11)		2,714,200
TOTAL ASSETS	**$**	**2,738,763**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$	10,476
Short-term loans (Note 9)		2,700,000
		2,710,476
SHAREHOLDERS' EQUITY		
Subscription receivable (Note 6)		6,001
Share Capital (Note 6)		33,000
Deficit		(10,714)
TOTAL SHAREHOLDERS' EQUITY		**28,287**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**2,738,763**

Nature of operations and going concern (Note 1)

Subsequent events (Note 11)

Approved on behalf of the board on April 13, 2024:

Steve Mynott (Apr 14, 2024 12:30 PDT)

Steve Mynott, Director

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

1442160 BC Ltd.
Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the period from September 29, 2023 (incorporation date) to December 31, 2023

Operating Expenses		
Administrative	$	7,095
Legal		3,619
		10,714
Loss and comprehensive loss for the period	**$**	**(10,714)**
Weighted average number of common shares outstanding – basic and diluted		4,613,003
Basic and diluted net loss per common share	**$**	**(0.00)**

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

1442160 BC Ltd.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
For the period from September 29, 2023 (incorporation date) to December 31, 2023

	Share Capital				
	Shares	Amount	Subscription Receivable	Deficit	Total Equity
Balance, beginning of period					
Incorporation shares issued (Note 6)	100	$	$ 1	$ -	$ 1
Shares issued pursuant to private placement (Note 6)	39,000,000	33,000	6,000	-	39,000
Net loss and comprehensive loss	-	-		(10,714)	(10,714)
Balance, December 31, 2023	39,000,100	$ 33,000	$ 6,001	$ (10,714)	$ 28,287

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

1442160 BC Ltd.
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)
For the period from September 29, 2023 (incorporation date) to December 31, 2023

Operating activities		
Loss and comprehensive loss	$	(10,714)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities		10,746
Cash flows used in operating activities		(238)
Investing activities		
Exploration advance		(2,714,200)
Cash used in investing activities		(2,714,200)
Financing activity		
Issuance of common shares		33,000
Proceeds received from short-term loans		2,700,000
Cash provided by financing activities		2,733,000
Net change in cash in the period		18,562
Cash, beginning of period		-
Cash, ending of period	$	18,562

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

1. Nature of operations and going concern

Nature of Operations

1442160 BC Ltd. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) Act on September 29, 2023, and is a private company. The principal business of the Company is the identification and exploration and evaluation of mineral properties. To date, the Company's has not earned revenues and is considered to be in the exploration stage.

The Company's head office is located at Suite 810, - 789 West Pender Street, Vancouver, BC, V6C 1H2.

Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Since incorporation on September 29, 2023, the Company incurred a net loss and has a deficit of $10,714. At December 31, 2023, the Company has a working capital deficiency of $2,685,913. The Company has limited resources, no sources of operating cash flows and no assurances that sufficient funding will be available to continue operations for an extended period of time. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Basis of presentation

Approval of the financial statements

These financial statements were authorized for issue on April 13th, 2024 by the sole director of the Company.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

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

2. Basis of presentation (continued)

Foreign currency translation

These financial statements are presented in Canadian Dollars, which is the Company's functional currency. Transactions in currencies other than the Canadian Dollar are recorded at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position. Non-monetary items are measured at their historical cost and are not retranslated. Revenues and expenses denominated in foreign currencies are translated at rates of exchange prevailing on the transaction dates. All exchange gains or losses are recognized immediately in profit or loss in the period in which they are incurred.

3. Significant accounting policies

Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. These financial statements include its 100% owned subsidiary Norrabees Lithium (SA) Limited.

Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred. Once the legal right to explore an exploration and evaluation asset has been acquired, all costs related to the acquisition of the property and exploration on the property are capitalized on a property-by-property basis. All expenditures are capitalized until such time the properties are placed into commercial production, sold, abandoned or impaired. If commercial production is achieved from a mineral property, the related capitalized costs will be tested for impairment and reclassified to mineral property in production and will be accounted for under IAS 16.

The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present. If it is determined that the carrying amount of an exploration and evaluation asset is impaired, that property is written down to its estimated net realizable value.

From time to time, the Company may acquire or dispose of all or part of its mineral property interests under the terms of property option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, option payments are recorded as property costs or recoveries when paid or received. When recoveries exceed the carrying value of the mineral property, the excess is reflected in the statement of loss and comprehensive loss.

Impairment of non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

3. Significant accounting policies (continued)

Impairment of non-current assets (continued)

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount of a cash generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the cash generating unit is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the cash generating unit in prior years. A reversal of an impairment loss is recognized as income through profit or loss.

Restoration and environmental obligation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production is charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As of December 31, 2023, the Company did not have any decommissioning liabilities.

3. Significant accounting policies (continued)

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in statement of changes in equity. Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of options or warrants is recorded in share capital and the related fairl value is transferred to share capital. For those options and warrants that expire, the recorded value is transferred to deficit.

Loss per share

Basic loss per common share is calculated using the weighted average number of common shares issued and outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted earnings per share exclude all dilutive potential common shares if their effect is anti-dilutive.

As of December 31, 2023, diluted loss per share is the same as basic loss per share.

Income taxes

<u>Current income tax:</u>

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. Significant accounting policies (continued)

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company’s financial instruments:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Short-terms loans	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Significant accounting policies (continued)

Financial instruments (continued)

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in the statements of loss and comprehensive loss.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

Judgements:

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern, and the financial statements continue to be prepared on a going concern basis. The Company has no sources of revenue and remains dependent on its ability to obtain financing, which may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. Significant accounting policies (continued)

Significant estimates and assumptions (continued)

Estimates:

Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

Valuation of common shares

The determination of the fair value of common shares is subject to certain management estimates as the Company is not publicly traded in an active market. The fair market value of the common shares issued was determined by using the cash value paid to purchase shares around the time of issuance.

New IFRS pronouncements

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2

In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (continued)

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments are not expected to have a significant impact on the preparation of the consolidated financial statements.

3. Significant accounting policies (continued)

New IFRS pronouncements (continued)

Amendments to IAS 8 Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendments are effective for annual periods beginning on or after January 1, 2023, and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. This amendment is not expected to have a significant impact on the preparation of the consolidated financial statements.

Amendments IAS 12 Income Taxes

In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023. This amendment is not expected to have a significant impact on the preparation of the consolidated financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (IAS 37). The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract - i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. - costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract - e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022 and did not have a significant impact on the preparation of the consolidated financial statements.

3. Significant accounting policies (continued)

New IFRS pronouncements (continued)

Amendments to IFRS 3 Business Combinations

The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 - rather than the definition in the Conceptual Framework - to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on or after January 1, 2022 and did not have a significant impact on the preparation of the consolidated financial statements.

Amendments to IAS 16 Property, Plant and Equipment

The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022 and did not have a significant impact on the preparation of the consolidated financial statements.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

4. Proposed transaction

The Company's 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") with a closing date of on or before March 5, 2025, 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.

4. Proposed transaction (continued)

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.

5. Exploration advance

Pursuant to Part A of the Sale of Shares Agreement, the Company received a loan of $2,100,000 from Moonbound Mining Ltd. and $600,000 from Continental Lithium Africa Development Corporation for a total loan value of $2,700,000 in order to proceed with the advanced $2,714,200 ($2,000,000 USD) to SPH for a total of 2,124 shares of Dune. 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. See notes 4 and 11 for more information in regards to these transactions.

6. Share capital

Authorized share capital

Unlimited number of common shares without par value and an unlimited number of preferred non-voting shares without par value.

Issued and outstanding

As at December 31, 2023, the Company had 39,000,100 common shares issued and outstanding as presented in the statement of changes in equity.

During the period from incorporation on September 29, 2023 to December 31, 2023, the Company incurred the following:

Issued 39,000,100 common shares for proceeds of $33,000 and subscriptions receivable of $6,001.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in a bank account. The cash is deposited in a bank account held with a major bank in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity and debt funding. Liquidity risk is assessed as high as the Company has a working capital deficiency of $2,685,913 (Note 1).

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign exchange risk on fluctuations related to accounts payable and accrued liabilities that are denominated in US dollars. A significant change in the currency exchange rates between the Canadian dollar and US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it has no interest-bearing debt.

(Expressed in Canadian Dollars)

7. Financial risk and capital management (continued)

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is determined based on Level 1 inputs which consists of quoted prices in active markets for identical assets. The fair value of the Company's accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

8. Deferred Tax

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profits will be available to realize the deductible temporary difference or carryforward of unused tax losses or tax credits. The offset amounts presented on the consolidated statements of financial position are as follows:

	$	Tax Rate	December 31, 2023
Unused non-capital losses	$ 10,714	27%	$ (2,947)
Valuation reserve			2,947
Balance, end of period			$ Nil

At period end, the company has $10,714 of non-capital losses available that can be deducted against future years' taxable income. These losses expire in 20 years which would be the fiscal year ending 2043.

9. Short term loans

The Company entered into two short term loan agreements on December 12th, 2023.

- The loan agreement with Moonbound Mining Ltd. for $2,100,000 bears no interest and no term or maturity date. As of January 3, 2024, 1442160 BC Ltd. is a wholly owned subsidiary of Moonbound Mining Ltd.
- The loan agreement with Continental Lithium Africa Development Corporation for $600,000 bears no interest and no term or maturity date.

	December 31, 2023
Moonbound Mining Ltd. loan	$ 2,100,000
Continental Lithium Africa Development Corporation	600,000
Short term loans balance	$ 2,700,000

10. Capital risk management

The Company considers its capital structure to consist of statement of changes in equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative returns on capital criteria for management.

The mineral properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favorable terms, if at all, include share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing claims. In order to carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Subsequent events

Subsequent to December 31,2023 are as follows:

- In January 2024 the Company completed Parts B and C of the Sale of Shares agreement by paying $6,780,000 for an aggregate total of 4,786 of Dune shares.

- Pursuant to the terms of the Share Exchange Agreement dated January 3, 2024, all the issued and outstanding of the Company's were acquired by Moonbound Mining Ltd. As consideration Moonbound issued 38,000,000 common shares (each, a "Consideration Share") at a deemed price of $0.30 per Consideration Share, and 19,000,000 common share purchase warrants (each, a "Consideration Warrant") to the Company's shareholders on a pro rata basis. Each Consideration Warrant entitles the holder to purchase one common share in the capital of the Company (each, a "Share") at an exercise price of $0.40 for a period of three years after the date of issuance of the Consideration Warrants. Note 4.

- Upon Closing, the Company became a wholly-owned subsidiary of the Moonbound Mining Ltd.