

MOON RIVER CAPITAL LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars)
UNAUDITED PREPARED BY MANAGEMENT

Notice of disclosure of non-auditor review of interim financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards and are the responsibility of the Company's management.

The Company's auditors have not performed an audit or a review of these condensed interim financial statements.

MOON RIVER CAPITAL LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

Unaudited - prepared by management

(Expressed in Canadian dollars)

		September 30, 2023	December 31, 2022
	Notes	\$	\$
ASSETS			
Current			
Cash and cash equivalents		390,417	524,646
HST recoverable		28,229	5,941
Prepaid expense		5,773	-
Total assets		<u>424,419</u>	<u>530,587</u>
LIABILITIES			
Current			
Amounts payable and accrued liabilities	4	187,398	18,740
Total liabilities		<u>187,398</u>	<u>18,740</u>
SHAREHOLDERS' EQUITY			
Capital stock	5	655,246	655,246
Share-based payment reserve	6	22,243	22,243
Deficit		(440,468)	(165,642)
Total shareholders' equity		<u>237,021</u>	<u>511,847</u>
Total liabilities and shareholders' equity		<u>424,419</u>	<u>530,587</u>

Nature of Operations - Note 1

Subsequent Events – Note 9

Approved on behalf of the board on November 21, 2023

"Paul Parisotto"
Paul Parisotto, Director

" Ian McDonald "
Ian McDonald, Director

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

MOON RIVER CAPITAL LTD.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 and 2022

Unaudited - prepared by management

(Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
Expenses				
Acquisition and evaluation expenses	153,376	-	226,736	-
Professional fees	13,998	6,001	24,440	39,493
Corporate expenses	17,889	1,153	32,864	16,830
Office and general	2,722	-	2,836	-
Loss before other items	187,985	7,154	286,876	56,323
Other items				
Interest income	(5,966)	-	(12,050)	-
Net loss and comprehensive loss for the period	182,019	7,154	274,826	56,323
Net loss per common share				
- Basic and diluted	0.016	0.001	0.024	0.005
Weighted average common shares outstanding				
- Basic and diluted	11,660,000	11,596,190	11,660,000	11,596,190

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

MOON RIVER CAPITAL LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 and 2022

Unaudited - prepared by management
(Expressed in Canadian dollars)

	Number of Common Shares	Capital Stock \$	Share-Based Payment Reserve \$	Deficit \$	Total \$
Balance January 1, 2022	11,400,000	615,643	35,846	(110,387)	541,102
Exercise of stock options	260,000	39,603	(13,603)	-	26,000
Net loss for the period	-	-	-	(56,323)	(56,323)
Balance September 30, 2022	11,660,000	655,246	22,243	(166,710)	510,779
Balance January 1, 2023	11,660,000	655,246	22,243	(165,642)	511,847
Net loss for the period	-	-	-	(274,826)	(274,826)
Balance September 30, 2023	11,660,000	655,246	22,243	(440,468)	237,021

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

MOON RIVER CAPITAL LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOW
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 and 2022

Unaudited - prepared by management
(Expressed in Canadian dollars)

	2023	2022
	\$	\$
Cash flows from operating activities		
Net loss for the period	(274,826)	(56,323)
Movements in working capital		
Increase in amounts receivable and prepaid expenses	(28,061)	(2,229)
Increase in accounts payable and accrued liabilities	168,658	10,611
Net cash used in operating activities	<u>(134,229)</u>	<u>(47,941)</u>
Cash flows from financing activities		
Proceeds from exercise of stock options	-	26,000
Net cash received from financing activities	<u>-</u>	<u>26,000</u>
Change in cash and cash equivalents	(134,229)	(21,941)
Cash and cash equivalents, beginning of period	<u>524,646</u>	<u>546,931</u>
Cash and cash equivalents, end of period	<u>390,417</u>	<u>524,990</u>

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

MOON RIVER CAPITAL LTD.
NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Moon River Capital Ltd. (the "**Company**") was incorporated under the laws of the Province of Ontario on August 6, 2019. The Company completed its initial public offering on March 20, 2020 and its common shares are traded on the TSX Venture Exchange ("**TSXV**") under the symbol "MOO.P". The Company's registered office is located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2.

The Company is a Capital Pool Company ("**CPC**") within the meaning of the TSXV Policy 2.4 that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC policies of the TSXV, until the completion of a Qualifying Transaction ("**QT**"), the Company will not carry on business, other than the identification and evaluation of companies, business, or assets with a view to completing a proposed QT. Investors are cautioned that trading in the securities of a CPC is considered highly speculative.

These unaudited condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company and the completion of a QT involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified it may not be able to raise funds to finance such an acquisition within the requisite time frame. Additional funds will be required to enable the Company to pursue the acquisition or investment and the Company may be unable to obtain such financing on satisfactory terms. Furthermore, there is no assurance that said acquisition will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

On November 15, 2023, the Company completed a QT by acquiring all of Generation Mining Ltd.'s rights and interests in the Davidson Property including six mineral leases covering approximately 1631.8 hectares located near the town of Smithers, British Columbia, which hosts a large molybdenum-tungsten deposit (the "**Davidson Property**"). See Note 9 – Subsequent Events, for information regarding the QT completed subsequent to the nine-month period ended September 30, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance and Basis of Presentation

These unaudited condensed interim financial statements have been prepared for the three and nine months ended September 30, 2023, including comparative figures where applicable, in accordance with International Accounting Standard ("**IFRS**"), and in particular in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board. They have been prepared using the accounting policies the Company expects to adopt in its financial statements as at and for the year ending December 31, 2023.

These unaudited condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022, prepared in accordance with IFRS.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Recent Accounting Standards

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its audited financial statements for the year ended December 31, 2022. There are currently no accounting standards issued but not yet effective that the Company anticipates will have any material impact on the Company's unaudited condensed interim financial statements or disclosure.

MOON RIVER CAPITAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian dollars)

3. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity. The Company's policy is to attain adequate capital to sustain the Company's operations as a CPC and for the purpose of completing a proposed QT in the future. This is done primarily through equity financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risks characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Company will monitor its capital funding and spending to manage current and projected expenditure levels. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

The Company invests all capital that is surplus to its immediate operational needs in short term, highly liquid financial instruments, such as short term guaranteed investment certificates, held with a major Canadian financial institution.

The Company has not paid or declared any dividends since the date of its incorporation, nor are any dividends contemplated in the foreseeable future.

The Company does not have any externally imposed capital requirements, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) CDN\$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023 \$	December 31, 2022 \$
Accounts payable	103,493	17,237
Accrued liabilities	83,905	1,503
Total accounts payable and accrued liabilities	<u>187,398</u>	<u>18,740</u>

There were no related party transactions nor amounts owing to related parties at September 30, 2023 or December 31, 2022.

5. CAPITAL STOCK

Authorized:

Unlimited number of common shares

Unlimited number of special shares issuable in series

Common shares issued and outstanding:

	Number of Shares	Capital Stock \$
Balance at December 31, 2021	11,400,000	615,643
Issued on exercise of stock options	260,000	39,603
Balance at December 31, 2022 and September 30, 2023	<u>11,660,000</u>	<u>655,246</u>

MOON RIVER CAPITAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian dollars)

5. CAPITAL STOCK (CONTINUED)

In January 2022, a total of 260,000 options issued to the agents of a previous prospectus offering in 2020, were exercised at the price of \$0.10 per share for total proceeds of \$26,000 to the Company.

There have been no changes to the Company's share capital during the nine months ended September 30, 2023. (Note 9 – Subsequent Events).

6. STOCK OPTIONS

The Company has a Stock Option Plan for its directors, officers, employees, and consultants. Stock options granted under the Stock Option Plan have various terms at the discretion of the Board of Directors. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

The change in stock options during the nine months ended September 30, 2023 and the year ended December 31, 2022 are as follows.

	Number of Options	Weighted Average Exercise Price \$
Balance at December 31, 2021	560,000	0.10
Agents' options excised	(260,000)	0.10
Balance at December 31, 2022 and September 30, 2023	300,000	0.10

The stock options outstanding at September 30, 2023 and December 31, 2022 are vested and exercisable at the price of \$0.10 per share until their expiry date of March 20, 2025, with a remaining contractual life of 1.47 years at September 30, 2023. (Note 9 – Subsequent Events)

7. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its directors, officers, and significant shareholders. Other than the grant of stock options, no fees were paid by the Company to its directors or officers for their services as directors or officers of the Company. There were no transactions with related parties during the nine months ended September 30, 2023 and 2022.

8. FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company's cash and short-term investments is held through large Canadian Financial Institutions. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities in full. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's primary source of working capital and liquidity is equity financing.

MOON RIVER CAPITAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian dollars)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk (Continued)

The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing. It is anticipated that the Company will continue to rely on equity financing to meet its ongoing working capital requirements in the near term.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not presently have any interest bearing debt and therefore in management's opinion, is not exposed to any significant interest rate risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

Fair Value of Financial Instruments

The Company values financial instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. Level 3 fair values are based on a number of valuation techniques other than observable market data. There are no level 3 values currently recorded on the balance sheet of the Company at September 30, 2023 or December 31, 2022.

		September 30 2023	December 31 2022
Fair value through profit and loss			
Cash	Level 1	\$ 390,417	\$ 524,646
Financial liabilities measured at amortized cost			
Accounts payable and accrued liabilities	Level 1	\$ 187,398	\$ 18,740

9. SUBSEQUENT EVENTS

Qualifying Transaction

On November 15, 2023, the Company completed the acquisition of all of Generation Mining Ltd.'s ("GM") rights and interests in the Davidson Property consisting of six mineral leases covering approximately 1,631.8 hectares located near the town of Smithers, British Columbia, which hosts a large molybdenum-tungsten deposit (the "**Davidson Acquisition**").

The Transaction constitutes the Company's QT as defined in Policy 2.4 – Capital Pool Companies of the TSXV and was completed in accordance with the terms of an Asset Purchase Agreement dated September 13, 2023 entered into between the Company and GM (the "**APA**"). Pursuant to the APA, and as a result of the Davidson Acquisition, GM assigned Moon River all of its rights, interests and obligations under a vending agreement dated April 1, 2016, as amended, entered into with Roda Holdings Inc. ("**Roda**") and Mr. Donald Davidson (the "**Davidson Agreement**"), under which GM held the right to prospect, develop and mine the Davidson Property.

Pursuant to the APA, the Company: (i) paid GM \$630,000 in cash; and (ii) issued 9,000,000 Common Shares to GM; and (iii) to the extent GM remains a 10% holder of Moon River, the Company granted GM (a) the right to nominate one director to the board of directors of Moon River, and (b) the pre-emptive right to retain its pro rata equity interest in Moon River in the event of future equity financings.

MOON RIVER CAPITAL LTD.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian dollars)

9. SUBSEQUENT EVENTS (CONTINUED)

In connection with the completion of the Davidson Acquisition, the TSXV has approved the listing of the common shares of the Company as a Tier 2 mining issuer and the common shares resumed trading on the TSXV under the ticker symbol “MOO” on November 20, 2023.

Davidson Agreement

Effective concurrently with the assignment to Moon River of GM’s rights, interests and obligations under the Davidson Agreement and closing of the Davidson Acquisition, the Davidson Agreement was amended. The Company is now the holder of the exclusive right to access to and from, and to enter upon and take possession of and prospect, develop and mine the Davidson Property, and holds the right to remove and ship therefrom all ore, bullion, concentrates and minerals recovered in any manner from the Davidson Property. Roda shall maintain registered title to the Davidson Property, and shall transfer title to Moon River upon either: (i) the Company obtaining bona fide funding commitments in amounts sufficient to construct a mine capable of mining at least 500,000 tons of ore per year where registration of title documents is required by the parties providing funding; or (ii), on notice to Roda of commencement of commercial production at levels sufficient to result in the mining of at least 500,000 tons of ore within one year from commencement of commercial production. In consideration of the rights, the Company shall pay to Roda \$100,000 per fiscal year and reimburse Roda for the annual lease and property maintenance payments in connection with the mining leases.

Upon transfer of title from Roda to the Company, the Company shall pay Roda a 3% net smelter returns royalty (“NSR”). If the NSR payments to Roda in a fiscal year are less than \$100,000, the Company must make a payment to Roda equivalent to the difference between the NSR payments for the fiscal year and \$100,000. As security for the performance of the Company’s obligations under the Davidson Agreement, Roda also has a first ranking mortgage of and security interest in the Company’s right, title and interest in the Davidson Agreement, the Davidson Property and minerals and mineral products extracted or produced therefrom.

The Company has a right of first refusal in respect of the transfer from Roda to any third party of all or any part of the Davidson Property, the NSR, or any of Roda’s rights under the Davidson Agreement.

Subscription Receipt Offering

On October 25, 2023, in connection with the proposed QT, the Company closed a non-brokered private placement of 12,000,000 subscription receipts at a price of \$0.25 per subscription receipt (“**Subscription Receipts**”) for gross proceeds of \$3,000,000 (the “**Offering**”).

On the closing of the QT and following the satisfaction of the escrow release conditions, each Subscription Receipt was automatically converted into one common share of the Company on November 15, 2023.

In connection with the Offering, the Company issued 336,280 finder’s warrants (the “**Finder Warrants**”) and paid a cash finder’s fee of \$100,380, equal to 7% of the gross proceeds of the Offering raised from subscribers introduced to the Company by such finder. Each Finder Warrant entitles the holder to acquire one common share in the capital of the Company at a price of \$0.25 per common share for a period of 2 years.

Directors and officers of the Company subscribed for a total of 2,294,000 Subscription Receipts representing a total capital amount of \$573,500 pursuant to the Offering.

Stock Options

On October 24, 2023, 300,000 stock options were exercised at the price of \$0.10 per share for total proceeds of \$30,000 to the Company.

On November 15, 2023, on the closing the QT, the Company granted an aggregate of 2,820,000 stock options to its directors, officers, and consultants at an exercise price of \$0.25 per share, for a term of 10 years, with a third of the options vesting immediately on the grant, a third at the end of the first anniversary year and a third at the end of the second anniversary year.