



Blue Moon Metals Inc.

**Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024**

(Unaudited – prepared by management)
(Expressed in Canadian dollars)

NOTICE TO READER:

These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company's management. This notice is being provided in accordance with National Instrument 52-102 – Continuous Disclosure Obligations.

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		March 31, 2024	December 31, 2023
		\$	\$
ASSETS			
	Note		
Cash		259,925	355,343
GST Receivables	10b	7,190	5,756
Prepaid expenses		7,451	3,417
Restricted cash	10b	13,864	13,864
CURRENT ASSETS		288,430	378,380
Mineral property interests	3	698,007	698,007
ASSETS		986,437	1,076,387
LIABILITIES			
Accounts payable and accrued liabilities		29,858	36,918
Due to related parties	7	122,000	158,000
LIABILITIES		151,858	194,918
SHAREHOLDERS' EQUITY			
Share capital	4	12,525,301	12,525,301
Contributed surplus		1,589,642	1,574,516
Deficit		(13,280,364)	(13,218,348)
SHAREHOLDERS' EQUITY		834,579	881,469
LIABILITIES AND SHAREHOLDERS' EQUITY		986,437	1,076,387
Nature of operations and going concern	1		

Approved by the Board of DirectorsEnrique Correa (signed) DirectorPatrick McGrath (signed) Director

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31,

	Note	2024 \$	2023 \$
General exploration expenses	3d	10,328	31,999
Filing and regulatory fees		18,254	11,602
General administrative costs		4,163	4,624
Professional fees		631	409
Share-based payments	6	15,126	-
Shareholder communication and travel		6,895	1,174
Consulting fees	7	9,000	21,000
Foreign exchange loss (gain)		(51)	-
Interest expense	7	1,626	4,939
Interest income		(3,956)	-
LOSS AND COMPREHENSIVE LOSS		62,016	75,747
Basic and diluted loss per common share		0.00	0.00
Weighted average number of common shares outstanding – basic and diluted		26,404,086	15,181,519

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31,	Note	2024	2023
Cash flows provided by (used in)		\$	\$
OPERATING ACTIVITIES			
Loss and comprehensive loss		(62,016)	(75,747)
Items not affecting cash			
Share-based payments		15,126	-
Interest expense		-	4,939
		15,126	4,939
Change in non-cash working capital items		(1,902)	(18,095)
OPERATING ACTIVITIES		(48,792)	(88,903)
FINANCING ACTIVITIES			
Issuance of securities	4b	-	120,000
Issuance costs	4b	-	(2,875)
Repayment of loan	7	(45,000)	-
Interest paid on loan	7	(1,626)	-
FINANCING ACTIVITIES		(46,626)	117,125
CHANGE IN CASH		(95,418)	28,222
Cash – Beginning		355,343	30,193
CASH - ENDING		259,925	58,415

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
DECEMBER 31, 2022		14,808,086	11,743,011	1,574,516	(12,877,492)	440,035
Private placement	4b	1,200,000	120,000	-	-	120,000
Private placement issuance costs	4b	-	(2,875)	-	-	(2,875)
Loss and comprehensive loss		-	-	-	(75,747)	(75,747)
MARCH 31, 2023		16,008,086	11,860,136	1,574,516	(12,953,239)	481,413
Private placement	4b	10,396,000	675,740	-	-	675,740
Private placement issuance costs	4b	-	(10,575)	-	-	(10,575)
Loss and comprehensive loss		-	-	-	(265,109)	(265,109)
DECEMBER 31, 2023		26,404,086	12,525,301	1,574,516	(13,218,348)	881,469
Share-based payments	6	-	-	15,126	-	15,126
Loss and comprehensive loss		-	-	-	(62,016)	(62,016)
MARCH 31, 2024		24,404,086	12,525,301	1,589,642	(13,280,364)	834,579

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1. NATURE OF OPERATIONS AND GOING CONCERN**a) Nature of operations**

Blue Moon Metals Inc. (together with its subsidiary, "Blue Moon" or the "Company") is a Canadian exploration stage company which is focused on the exploration and development of mineral resource properties. The Company changed its name trades under the stock symbol "MOON" on the TSX Venture Exchange.

b) Going concern

The nature of the Company's operations requires significant expenditures for the acquisition, exploration, and evaluation of mineral properties. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage. The Company's operations have been primarily funded from equity financings. The Company will continue to require additional funding to maintain its ongoing exploration and evaluation programs, property maintenance payments, and operations.

These consolidated interim financial statements have been prepared using IFRS Accounting Standards applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from equity transactions or through other arrangements. The Company has been successful in securing financing in the past, but there can be no assurance that it will be able to do so in the future. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated interim financial statements do not reflect the adjustments to the carrying values of the assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumptions deemed to be inappropriate. These adjustments could be material.

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2. BASIS OF PRESENTATION**a) Compliance with International Financial Reporting Standards**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) as applicable to the preparation of interim financial statements under IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

These financial statements were approved for issue by the Company’s Board of Directors on May 30, 2024.

b) Critical accounting judgments, estimates and assumptions

Critical Judgments

The preparation of these consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 1(b).

Estimations and assumptions

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that 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, but are not limited to, the following:

i) Exploration and Evaluation Assets

The carrying amount of the Company’s exploration and evaluation assets properties does not necessarily represent present or future values, and the Company’s exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management’s assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company’s exploration and evaluation assets.

ii) Share-based Payments

The estimation of share-based payments includes estimating the inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in equity. Share-based payments expense and share-based share issuance costs are estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company’s common shares, the expected life of the options, and the estimated forfeiture rate.

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iii) Income Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

3. MINERAL PROPERTY INTERESTS**a) Blue Moon (California, USA)**

The Blue Moon zinc property comprises of patented and unpatented lode mineral claims in Mariposa County, California. The claims are subject to a 0.5% Net Smelter Royalty ("NSR") capped at US\$500,000, payable to a third party. Certain claims not subject to the NI 43-101 resource estimate are subject to a 3% NSR royalty capped at US\$200,000 payable to an additional third party.

b) Yava (Nunavut, Canada)

The Yava base metals property is located in Nunavut and consists of two mineral leases totaling 1,280 hectares. The mineral leases are subject to a 10% net profit interest ("NPI") royalty which the Company has the right to purchase for \$1,500,000. The Yava property is carried at \$nil for the years presented.

c) Mineral property costs

	Blue Moon \$
December 31, 2022 and 2023	698,007
-	-
MARCH 31, 2024	698,007

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d) General exploration expenses

For the three months ended March 31,	2024	2023
	\$	\$
Claims costs	-	6,460
Camp operations	10,328	10,788
Prospecting and geology	-	2,970
Permitting and Engineering	-	11,781
TOTAL	10,328	31,999

4. SHARE CAPITAL**a) Authorized share capital**

Authorized share capital consists of an unlimited number of common shares without par value, unlimited Class "A" preferred shares with par value of \$10 per share, and unlimited Class "B" preferred shares without par value. No preferred shares have been issued.

b) Financing

On June 15, 2023, the Company issued 7,696,000 shares at a price of \$0.065 per common share for gross proceeds of \$500,240. The Company incurred unit issuance costs of \$7,963.

On May 8, 2023, the Company issued 2,700,000 shares at a price of \$0.065 per common share for gross proceeds of \$175,500. The Company incurred unit issuance costs of \$2,613.

On March 3, 2023, the Company issued 1,200,000 shares at a price of \$0.10 per common share for gross proceeds of \$120,000. The Company incurred unit issuance costs of \$2,874.

5. WARRANTS AND STOCK OPTIONS**a) Warrants**

A summary of the Company's warrants outstanding, including changes for the years then ended, is presented below.

	Number of Warrants	Weighted average exercise price	\$
DECEMBER 31, 2022	2,958,947		1.20
Expired	(995,150)		1.20
DECEMBER 31, 2023 AND MARCH 31, 2024	1,963,797		1.20

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Warrants outstanding are as follows:

Expiry Date	Exercise Price	Number of warrants outstanding	Average remaining contractual life (years)
June 30, 2024	\$1.20	1,963,797	0.25
MARCH 31, 2024		1,963,797	0.25

b) Stock options

The Company has a stock option plan that permits the grant of stock options for the purchase of up to 10% of the issued and outstanding common shares of the Company to directors, officers, employees, and consultants. Options are exercisable for a maximum of 10 years. Terms, pricing and vesting of stock options are determined in accordance with the stock option plan as approved by the Board of Directors.

A summary of the Company's stock activity is presented below:

	Number of Stock options	Weighted average exercise price \$
DECEMBER 31, 2022 and 2023	395,000	0.52
Granted	1,200,000	0.10
MARCH 31, 2024	1,595,000	0.20

Stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Number of Stock options outstanding	Average remaining contractual life (years)	Number of stock options exercisable
September 30, 2025	\$0.50	365,000	1.50	365,000
January 5, 2026	\$0.80	30,000	1.77	30,000
January 9, 2029	\$0.10	1,200,000	4.78	400,000
MARCH 31, 2024		1,595,000	3.97	795,000

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6. SHARE-BASED PAYMENTS

The following is a summary of the most recent stock options granted by the Company and the fair value of each grant. The fair value was calculated using the Black-Scholes option pricing model and the following inputs and assumptions:

Inputs and assumptions	January 10, 2024
Stock options granted	1,200,000
Exercise price	\$0.10
Market price	\$0.07
Expected life of options (years)	3
Expected stock price volatility	120%
Average risk-free interest rate	3.77%
Expected forfeiture rate	-
Expected dividend yield	-
Fair value per option granted	0.05
FAIR VALUE	55,771

7. RELATED PARTY TRANSACTIONS**Management Compensation**

The Company's related parties include its directors and officers, who are the key management of the Company. The remuneration of directors and officers during the years presented was as follows:

For the three months ended March 31,	2024	2023
	\$	\$
Consulting fees	9,000	21,000
Share-based payments	11,345	-
MANAGEMENT COMPENSATION	20,345	21,000

As at March 31, 2024, due to related parties included \$102,000 (December 31, 2023 - \$93,000) due to officers of the Company. These amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

On November 2, 2018, the Company entered into a loan agreement with a director of the Company for the amount of \$250,000. The Company was loaned an additional \$15,000, \$35,000 and \$6,000 on January 9, 2019, March 21, 2019, and August 21, 2019, respectively, by the same director. The loans are unsecured and bear interest at 10% per annum. The principal value plus interest was originally payable on September 1, 2019. During the year ended December 31, 2022, the loan was extended until May 1, 2024 and the Company agreed to make principal payments of approximately \$10,000 per month plus interest.

During the three months ended March 31, 2024, the Company made principal and interest payments totaling \$45,000 and \$1,626, respectively (During the year ended December 31, 2023, the Company made

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principal and interest payments totaling \$135,000 and \$14,492, respectively). As at March 31, 2024, \$20,000 (December 31, 2023 – \$65,000) was outstanding on the loan.

8. SEGMENTED INFORMATION

The Company operates in one industry segment, the exploration and evaluation of mineral property interests, within two geographical areas, Canada and the United States. Non-current assets for each geographical area are:

	Canada	United States	Total
	\$	\$	\$
December 31, 2023	-	698,007	698,007
March 31, 2024	-	698,007	698,007

9. CAPITAL MANAGEMENT

The Company is a mineral exploration and development company focusing on advancing the Blue Moon and Yava properties. Its principal source of funds is the issuance of securities. The Company considers capital to be equity attributable to common shareholders, comprised of share capital, contributed surplus, and deficit. It is the Company's objective to safeguard its ability to continue as a going concern so that it can continue to explore and develop its projects. As at March 31, 2024, certain conditions and events cast significant doubt upon the Company's ability to continue as a going concern. Refer to note 1(b) for more information.

The Company manages its capital structure based on the funds available for its operations and makes adjustments for changes in economic conditions, capital markets and the risk characteristics of the underlying assets. To maintain its objectives, the Company may attempt to issue new shares, seek debt financing, acquire or dispose of assets or change the timing of its planned exploration and development projects. There is no assurance that these initiatives will be successful.

The Company monitors its cash position on a regular basis to determine whether sufficient funds are available to meet its short-term and long-term corporate objectives.

There has been no change in the Company's capital management practices during the year. Blue Moon does not pay dividends. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENT RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to liquidity and credit risks from the use of financial instruments. The carrying value of the Company's financial instruments consisting of cash, restricted cash, receivables, due to related parties, and accounts payable and accrued liabilities approximate fair value due to the short term nature of the instruments.

a) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations. Refer to note 1(b) for more information regarding the Company's liquidity risk.

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b) Credit risk

The Company is exposed to credit risk on its cash, restricted cash and GST receivables. To reduce credit risk, substantially all cash is on deposit at Canadian chartered banks. Restricted cash are deposits held by the Bureau of Land Management ("BLM") in Nevada and California. As at March 31, 2024, GST receivables was \$7,190 (December 31, 2023 - \$5,756). Restricted cash is comprised of bonds valued at \$13,864 (December 31, 2023 - \$13,864) held by the BLM. The Company's exposure to credit risk is limited to the carrying amount of its cash, restricted cash and GST accounts receivable. Accordingly, the Company considers its exposure to credit risk minimal.

c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances which are not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, restricted cash, receivables, and accounts payable and accrued liabilities that are denominated in US dollars.

Sensitivity Analysis

The Company through a subsidiary operates in the United States and is exposed to exchange risk from changes in the US dollar. A 10% fluctuation in the US dollar against the Canadian dollar would have a minimal impact on the Company's loss and comprehensive loss.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings, or ability to obtain equity financing, due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of zinc, copper, lead, silver, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.