

MOON RIVER MOLY LTD.
(FORMERLY MOON RIVER CAPITAL LTD.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 and 2024
(Expressed in Canadian Dollars)
UNAUDITED PREPARED BY MANAGEMENT

Notice of disclosure of non-auditor review of condensed interim consolidated 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 consolidated 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 consolidated financial statements.

MOON RIVER MOLY LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS AT JUNE 30, 2025 AND DECEMBER 31, 2024**

Unaudited - prepared by management

(Expressed in Canadian dollars)

		June 30 2025	December 31 2024
	Notes	\$	\$
ASSETS			
Current			
Cash and cash equivalents		2,050,978	2,286,359
Short-term investments		-	500,000
Restricted cash and short-term investments	5	3,603,020	5,179,443
Amounts receivable	6	313,204	650,194
Prepaid expense		396,140	390,347
Parts & supplies inventory	7	-	152,302
		<u>6,363,342</u>	<u>9,158,645</u>
Restricted cash	5	28,861,360	29,492,703
Property, plant and equipment	7	<u>2,430,675</u>	<u>2,285,428</u>
		<u>31,292,035</u>	<u>31,778,131</u>
Total assets		<u>37,655,377</u>	<u>40,936,776</u>
LIABILITIES			
Current			
Amounts payable and accrued liabilities	8, 16	1,926,851	2,006,075
Provision for care & maintenance	9	2,937,596	3,025,819
Provision for reclamation	10	<u>665,424</u>	<u>2,153,624</u>
		<u>5,529,871</u>	<u>7,185,518</u>
Earnout payment liability	4	2,550,000	2,550,000
Provision for care & maintenance	9	8,113,057	9,276,360
Provision for reclamation	10	<u>22,960,514</u>	<u>22,686,766</u>
		<u>39,153,442</u>	<u>41,698,644</u>
SHAREHOLDERS' EQUITY			
Capital stock	11	5,773,539	5,773,539
Warrants	12	49,500	49,500
Share-based payment	14	966,556	908,533
Deficit		<u>(8,287,660)</u>	<u>(7,493,440)</u>
		<u>(1,498,065)</u>	<u>(761,868)</u>
Total liabilities and shareholders' equity		<u>37,655,377</u>	<u>40,936,776</u>

Nature of operations - Note 1

Commitments & contingencies – Note 19

Subsequent event – Note 20

Approved on behalf of the board on August 26, 2025

"Paul Parisotto"**Paul Parisotto, Director****" Ian McDonald "****Ian McDonald, Director***The accompanying notes are an integral part of the condensed interim consolidated financial statements.*

MOON RIVER MOLY LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS (INCOME) AND COMPREHENSIVE LOSS (INCOME) FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

Unaudited - prepared by management

(Expressed in Canadian dollars)

		Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
	Notes	\$	\$	\$	\$
Expenses					
Acquisition, exploration and evaluation	3	258,355	31,316	513,168	383,916
Corporate administration	14, 16	458,077	463,013	865,926	826,276
Changes to fair value of reclamation provision	10	(2,179,911)	(130,447)	105,572	(130,447)
Depreciation	7	3,527	16,123	7,054	16,123
Loss (income) before other items		(1,459,952)	380,005	1,491,720	1,095,868
Other items					
Interest income		(301,086)	(172,125)	(654,107)	(186,812)
Net loss (income) and comprehensive loss (income) for the period		(1,761,038)	207,880	837,613	909,056
Net loss (income) per common share					
- Basic		(0.053)	0.006	0.025	0.028
- Diluted		(0.053)	0.006	0.025	0.028
Weighted average common shares outstanding					
- Basic		32,960,000	32,960,000	32,960,000	32,960,000
- Diluted		33,154,141	32,960,000	32,960,000	32,960,000

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

MOON RIVER MOLY LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

Unaudited - prepared by management
(Expressed in Canadian dollars)

	Number of Common Shares	Capital Stock \$	Warrants \$	Share-Based Payment \$	Deficit \$	Total \$
Balance January 1, 2024	32,960,000	5,773,539	49,500	369,653	(4,201,622)	1,991,070
Vesting of previously issued stock options	-	-	-	239,334	-	239,334
Stock options issued	-	-	-	29,935	-	29,935
Net loss for the period	-	-	-	-	(909,056)	(909,056)
Balance June 30, 2024	32,960,000	5,773,539	49,500	638,922	(5,110,678)	1,351,283
Balance January 1, 2025	32,960,000	5,773,539	49,500	908,533	(7,493,440)	(761,868)
Vesting of previously issued stock options	-	-	-	58,023	-	58,023
Stock options cancelled	-	-	-	-	43,393	43,393
Net loss for the year	-	-	-	-	(837,613)	(837,613)
Balance June 30, 2025	32,960,000	5,773,539	49,500	966,556	(8,287,660)	(1,498,065)

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

MOON RIVER MOLY LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW****FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

Unaudited - prepared by management

(Expressed in Canadian dollars)

	2025	2024
	\$	\$
Cash flows from operating activities		
Net loss for the period	(837,613)	(909,056)
Share-based payments	101,415	269,269
Depreciation	7,054	16,123
Change in fair value of reclamation provision	105,572	(130,447)
Payment for Endako reclamation expenditures	(1,320,024)	-
Payment for Endako care and maintenance expenditures	(1,251,526)	(309,621)
Decrease in restricted cash	2,207,766	-
	<u>(987,356)</u>	<u>(1,063,732)</u>
Movements in working capital		
Decrease (increase) in amounts receivable and prepaid expenses	331,199	(231,172)
Increase (decrease) in accounts payable and accrued liabilities	(79,224)	361,609
Net cash used in operating activities	<u>(735,381)</u>	<u>(933,295)</u>
Cash flows from investing activities		
Cash acquired from the acquisition of Endako	-	2,527,766
Cash used in the acquisition of Endako	-	(123,982)
Proceeds from maturity of short-term investments	500,000	-
Net cash acquired from investing activities	<u>500,000</u>	<u>2,403,784</u>
Change in cash and cash equivalents	(235,381)	1,470,489
Cash and cash equivalents, beginning of period	<u>2,286,359</u>	<u>2,117,187</u>
Cash and cash equivalents, end of period	<u>2,050,978</u>	<u>3,587,676</u>

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

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Moon River Moly Ltd. (formerly Moon River Capital Ltd.) (the "**Company**" or "**Moon River**") 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**"). The Company's registered office is at 100 King Street West, Suite 7010 PO Box 70 Toronto Ontario M5X 1B1.

Prior to November 15, 2023, the Company was a Capital Pool Company ("**CPC**") within the meaning of the TSXV Policy 2.4 that had not commenced commercial operations and had no assets other than cash. The Company did not carry on business, other than the identification and evaluation of companies, business, or assets with a view to completing a proposed Qualifying Transaction ("**QT**") as specifically contemplated in the CPC policies of the TSXV.

On November 15, 2023, the Company completed the acquisition of all of Generation Mining Limited's ("**GM**") rights and interests in the Davidson Property consisting of six mineral leases covering approximately 1,631.8 hectares and seven mineral claims covering 2,202.02 hectares located near the town of Smithers, British Columbia, which hosts a large molybdenum-tungsten deposit (the "**Davidson Property**"). The transaction constituted the Company's QT as defined in Policy 2.4 – Capital Pool Companies of the TSXV.

Following the completion of the QT, the TSXV 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.V**" (previously "**MOO.P**") on November 20, 2023.

On May 17, 2024, the Company filed Articles of Amendment under the Business Corporations Act with the Province of Ontario, changing its name from Moon River Capital Ltd. To Moon River Moly Ltd.

There has been no determination whether the Company's interests in its properties contain mineral resources which are economically recoverable. Significant expenditures are required to locate and establish mineral deposits, to develop metallurgical processes and to construct mining and processing facilities. The Company's continued existence is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. The Company's acquisition, exploration and evaluation operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its evaluation, development and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that are applied for will be granted. The Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, however, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiating contracts, and political uncertainty.

These condensed interim consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months at the minimum. There are material uncertainties that may cast significant doubt about the appropriate use of the going concern assumption as the Company is in the exploration and evaluation stage and has not generated any revenues. At June 30, 2025, the Company has an accumulated deficit of \$8.2 million, incurred a net loss of \$0.8 million (2024 - \$0.9 million) for the six months ended June 30, 2025 and expects to incur further losses in the development of its business.

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared for the three and six months ended June 30, 2025, 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, 2024.

These unaudited condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024, prepared in accordance with IFRS.

These financial statements were authorized for issuance by the Board of Directors of the Company on August 26, 2025.

Basis of Presentation

Subsidiaries are entities controlled by the Company. These interim condensed consolidated financial statements include the accounts of the Company and those of its wholly owned subsidiary Moon River Molybdenum BC Ltd, from May 30, 2024, the closing date of its acquisition by the Company. As a result of consolidating the subsidiary company, these condensed interim consolidated financial statements include Moon River Molybdenum BC Ltd's 25% interests in the assets, liabilities, income and expenses of the Endako Mine joint operation from the date that joint control commenced. The financial statements of the subsidiary are prepared using consistent accounting policies for the period presented. All intercompany balances and transactions have been eliminated.

Use of Judgements

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 determining the reported values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Significant judgements include the accounting for acquisitions and joint arrangements, discount rates and projected cash flows used in determining the fair value of the provisions for care and maintenance and reclamation liabilities.

New Accounting Standards

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.

New standards and amendments issued and applicable to the Company are described below:

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
- enhanced principles on aggregation and disaggregation of totals and disclosures which apply to the primary financial statements and notes in general.

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards (continued)

IFRS 18 will replace IAS 1 while many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company will perform an assessment of the impact of this new standard on its financial statements prior to the effective date of January 1, 2027.

3. MINERAL PROPERTIES AND ACQUISITION AND EVALUATION EXPENSES

Davidson Property

The Davidson Property consists of six mineral leases covering 1,631.80 hectares and eleven mineral claims covering 3,266.36 hectares, located near the town of Smithers, British Columbia, which host a molybdenum-tungsten deposit.

The rights to remove and ship therefrom all ore, bullion, concentrates and minerals recovered in any manner from the Davidson Property (collectively, the "**Rights**") were held by Generation Mining Limited ("**GM**") through the Davidson Agreement, which was entered on April 1, 2016 between a predecessor of GM and Roda Holdings Inc. ("**Roda**"). The Company acquire all of GM's Rights in the Davidson Property in November 2023.

Roda maintains registered title to the Davidson Property, and shall transfer the title to Moon River upon either: (i) Moon River 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, Moon River shall pay 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 Moon River, Moon River shall pay Roda a 3% Net Smelter Royalty ("**NSR**"). If the NSR payments to Roda in a fiscal year are less than \$100,000, Moon River 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 Moon River's obligations under the Davidson Agreement, Roda also has a first ranking mortgage of and security interest in Moon River's right, title and interest in the Davidson Agreement, the Davidson Property and minerals and mineral products extracted or produced therefrom.

Moon River 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.

The Company incurred mineral evaluation costs of \$63,366 (2024 - \$108,194) and \$269,571 (2024 - \$372,853) respectively, on the Davidson Property in the three and six months ended June 30, 2025.

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

3. MINERAL PROPERTIES AND ACQUISITION AND EVALUATION EXPENSES (CONTINUED)

Endako Mine

The Company has a 25% participating interest in the Endako molybdenum mine complex in British Columbia (the “**Endako Mine**”) pursuant to an Exploration, Development and Mine Operating Agreement dated as of June 12, 1997 (the “**Endako JV**”) entered between Sojitz Moly Resources Inc. (“**SMR**”) (now Moon River Molybdenum BC Ltd.) and the 75% interest holder Thompson Creek Mining Ltd. (now Thompson Creek Metals Company Inc.) (“**TCM**”), a subsidiary of Centerra Gold Inc.

Mining operations at the Endako Mine began in 1965 and were suspended in December 2014, not long after the commissioning of a new mill in 2012, because of market conditions. The Endako Mine has been placed on care and maintenance and managed by TCM since July 2015.

Evaluation costs of \$194,989 (2024 - \$11,064) and \$243,597 (2024 - \$11,064) respectively, related to Endako were expensed in the three and six months ended June 30, 2025.

The following table summarizes the Company’s cumulative acquisition, exploration and evaluation expenditures which have been expensed according to the Company’s accounting policy:

	June 30 2025	Additions 2025	December 31 2024	Additions 2024	December 31 2023
	\$	\$	\$	\$	\$
Davidson Property	4,617,784	269,571	4,348,213	975,018	3,373,195
Endako Mine (note 4)	409,494	243,597	165,897	86,495	79,402
Total	5,027,278	513,168	4,514,110	1,061,513	3,452,597

4. ACQUISITION OF ENDAKO MINE

On May 30, 2024, the Company closed the transaction to acquire the 25% participating interest in the Endako Mine through the acquisition of all outstanding shares of SMR, a wholly owned subsidiary of Sojitz Corporation (“**Sojitz**”), pursuant to a share purchase agreement (the “**SPA**”) dated February 28, 2024, with Sojitz (the “**Endako Acquisition**”).

On closing the Endako Acquisition, Sojitz injected cash in SMR in the aggregate of \$42,144,180 of which:

- \$15,475,000, was in the form of a cash backed letter of credit issued to the benefit of the BC government, which represents SMR’s portion of the Endako environmental reclamation security, currently required by the BC government;
- \$24,669,180, less certain bank charges, were deposited into a trust account at TSX Trust Company to fund SMR’s 25% of future care and maintenance costs and future increases to the environmental and asset retirement obligations of Endako; and
- \$2,000,000 cash.

As a consideration for the acquisition, the Company paid \$1 to Sojitz and agreed to make four earn-out payments, contingent on the annualized average market price of molybdenum (“**Mo**”) reaching or exceeding US\$26 per pound (USD per lb Mo) during the prior year, payable annually to Sojitz beginning on May 30, 2027 and ending on May 30, 2030 (the “**Earn Out Payments**”) in accordance with the following table:

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

4. ACQUISITION OF ENDAKO MINE (CONTINUED)

Average market price of molybdenum during the prior year (USD per lb Mo)	Payment to Sojitz (CAD)
Less than \$26.00	\$0
\$26.00-\$26.99	\$2,000,000
\$27.00-\$27.99	\$2,200,000
\$28.00-\$28.99	\$2,400,000
\$29.00-\$29.99	\$2,600,000
\$30.00 or higher	\$2,800,000

The Earn Out Payments payable by the Company to Sojitz shall not exceed \$10 million in aggregate and are payable irrespective of whether or not the Endako Mining is in production at such time. The fair value of the Earn Out Payments was estimated to be approx. \$2,550,000 at the time of the Endako Acquisition and as at June 30, 2025. The estimated fair value was calculated using the Monte Carlo pricing model with the following assumptions: volatility of 28%, risk free interest rate of 4.2% and discount rate of 10.5%. The most significant input impacting fair value is the volatility assumption. A 20% increase in the volatility assumption would decrease the fair value of the instrument by approximately \$45,000. Conversely, a 20% decrease would increase the fair value by approximately \$10,000.

Upon the closing of the Endako Acquisition, SMR was renamed to Moon River Molybdenum BC Ltd (“**Moon River BC**”).

The aggregate purchase consideration including transaction costs incurred directly associated with the Endako Acquisition was as follows:

Cash consideration	\$	1
Fair value of Earn Out Payments		2,550,000
Transaction costs		123,981
Total consideration paid	\$	<u>2,673,982</u>

The Company allocated the purchase consideration to the acquired assets and liabilities based on their relative fair values at the date of acquisition as follows:

Net assets 100% owned by Moon River BC (formerly SMR):

Cash collateral for reclamation bond	\$	15,475,000
Cash in escrow for care & maintenance and additional reclamation costs		24,411,494
Cash		<u>2,000,000</u>
Total cash and restricted cash acquired		41,886,494

Moon River BC's share of net assets (liabilities) at the Endako JV:

Cash and cash equivalents	\$	329,856
Amounts receivable		2,730
Prepaid expenses		121,215
Property, plant and equipment		2,248,282
Parts & supplies inventory		152,302
Accounts payable & accruals		(180,402)
Provision for reclamation		(28,195,457)
Provision for care & maintenance		<u>(13,691,038)</u>
	\$	<u>2,673,982</u>

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

5. RESTRICTED CASH

	June 30 2025 \$	December 31 2024 \$
Cash held in escrow	169,380	2,017,146
Short-term investments held in escrow	3,433,640	3,162,297
	3,603,020	5,179,443
Non-current: short-term investment held in escrow	13,386,360	14,017,703
Non-current: reclamation bond	15,475,000	15,475,000
	32,464,380	34,672,146

At June 30, 2025, restricted cash consists of \$16,989,380 (December 31, 2024 - \$19,197,146) cash held in escrow to be used for future care and maintenance and reclamation of the Endako Mine and a reclamation bond of \$15,475,000 (December 31, 2024 - \$15,475,000) issued to the Province of British Columbia in the form of a cash backed letter of credit for the Endako Mine (note 4 and 20). The restricted cash is held in Guaranteed Investment Certificates or interest-bearing saving accounts.

6. AMOUNTS RECEIVABLE

	June 30 2025 \$	December 31 2024 \$
HST recoverable	30,102	92,368
Accrued interest on short term cash deposit	272,201	546,044
Other	10,901	11,782
	313,204	650,194

7. PROPERTY, PLANT AND EQUIPMENT

The Company acquired property, plant and equipment (“PP&E”) through the acquisition of the Endako Mine on May 30, 2024 (note 4). The following is a summary of the carrying value of the Company’s share of the PP&E at the Endako Mine at June 30, 2025:

	Land \$	Buildings \$	Equipment & Vehicles \$	Total \$
Cost	16,398	26,744	2,242,286	2,285,428
Additions	-	-	152,302	152,302
Accumulated depreciation	-	-	(7,055)	(7,055)
Net book value at June 30, 2025	16,398	26,744	2,387,533	2,430,675

There were no acquisitions or dispositions of the PP&E during the three and six months period ended June 30, 2025. The additions of \$152,302 represent parts inventories acquired on May 30, 2024 through the acquisition of the Endako Mine (note 4). The balance is reclassified as equipment from current asset on January 1, 2025 as it is determined that the parts inventories are spare parts for the Endako mill. The parts inventories together with the mill equipment have not been in use since the Endako Mine was placed on care and maintenance and therefore have not been depreciated.

Depreciation expenses of \$3,527 (2024 – \$16,123) and \$7,055 (2024 - \$16,123) were recorded for equipment and vehicles in use during the three and six-month periods ended June 30, 2025. The Company had no PP&E prior to the acquisition of Endako Mine.

MOON RIVER MOLY LTD.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2025 \$	December 31 2024 \$
Accounts payable	625,259	1,111,033
Payable to related parties (note 16)	2,825	2,825
Accrued liabilities	1,298,768	892,217
Total accounts payable and accrued liabilities	1,926,851	2,006,075

9. PROVISION FOR CARE & MAINTENANCE

In connection with the Endako Acquisition, the Company recognized a provision for care and maintenance arising from the Company's obligation for the 25% share of the ongoing care and maintenance costs at the Endako Mine pursuant to the SPA with Sojitz (note 4). This amount was funded by Sojitz as part of the SPA and represents Moon River's portion of the estimated care and maintenance costs for the Endako Mine.

At June 30, 2025, the Company's total care and maintenance provision amounts to \$11,050,653 (December 31, 2024 - \$12,302,179). The Company's share of the care and maintenance expenses were \$1,251,526 (2024 - \$309,621) during the six-month period ended June 30, 2025. The expenses are recorded as a reduction to the care and maintenance provision at June 30, 2025. The provision is reviewed and adjusted at each balance sheet date to reflect changes in the discount rate used and future cash flows to settle the obligation. There are no material revisions to the provision resulted from the changes in discount rate and future cash flows at June 30, 2025.

At June 30, 2025, the Company has reflected \$2,937,596 (December 31, 2024 - \$3,025,819) as a current liability representing management's estimate of its portion of the Endako JV's care and maintenance obligation in the following twelve months from the balance sheet date.

10. PROVISION FOR RECLAMATION

In connection with the Endako Acquisition, the Company recognized a provision for reclamation arising from the Company's obligation for the 25% share of the closure costs at the Endako Mine (note 4). At June 30, 2025, the provision is \$23,625,938 (December 31, 2024 - \$24,840,390). The decrease of \$1,214,452 during the six months ended June 30, 2025 are due to payments of reclamation expenditures in the amount of \$1,320,024 (2024 - \$nil) made in the period offset by a net increases in the provision arising from the changes in closure cost estimates and accretion of the liability. The provision is reviewed and adjusted at each balance sheet date to reflect changes in the discount rate used and future cash flows to settle the reclamation obligation.

The following table summarizes the changes to the provision during the six-month period ended June 30, 2025:

	June 30 2025 \$	December 31 2024 \$
Balance, beginning of year	24,840,390	-
Additions on Endako Acquisition	-	28,195,457
Changes in cost estimates	(336,698)	1,134,227
Accretion Expense	442,270	560,026
Liabilities settled	(1,320,024)	(5,049,320)
Balance, end of period	23,625,938	24,840,390
Current portion	665,424	2,153,624
Non-current portion	22,960,514	22,686,766
Total Provision for reclamation	23,625,938	24,840,390

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10. PROVISION FOR RECLAMATION (CONTINUED)

As at June 30, 2025, the Company has reflected \$665,424 (December 31, 2024 - \$2,153,624) as a current liability representing management's estimate of its portion of the Endako JV's reclamation obligation in the twelve months following the balance sheet date.

11. CAPITAL STOCK

Authorized:

Unlimited number of common shares

Unlimited number of special shares issuable in series

There have been no changes to the Company's share capital during the three and six months ended June 30, 2025. The Company has 32,960,000 common shares issued and outstanding at June 30, 2025 and December 31, 2024.

12. WARRANTS

There have been no changes to the Company's warrants during the three and six months ended June 30, 2025 and 2024. At June 30, 2025, the Company has 336,280 warrants outstanding with an exercise price of \$0.25, expiring on November 15, 2025.

13. 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 changes in stock options during the year ended December 31, 2024 and the six months period ended June 30, 2025 are as follows:

	Number of Options	Weighted Average Exercise Price \$
Balance at December 31, 2023	3,090,000	0.32
Stock options issued	200,000	0.72
Balance at December 31, 2024	3,290,000	0.35
Stock options cancelled	(133,334)	0.72
Stock options issued	135,000	0.41
Balance at June 30, 2025	3,291,666	0.34

The following table summarizes the stock options outstanding at June 30, 2025:

Exercise Price \$	Options Outstanding	Options Exercisable	Expiry date	Remaining Life to Expiry (Years)
0.25	2,820,000	1,880,000	November 15, 2033	8.4
0.72	66,666	66,666	May 14, 2034	8.9
1.09	270,000	180,000	December 20, 2033	8.5
0.41	135,000	45,000	May 2, 2035	9.8
	3,291,666	2,171,666		

The options outstanding have a weighted average remaining life of 8.46 (December 31, 2024 – 8.92) years at a weighted average exercise price of \$0.34 (December 31, 2024 – \$0.35) at June 30, 2025.

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14. COPORATE ADMINISTRATION EXPENSES

	Six months ended June 30	
	2025	2024
	\$	\$
Share-based payment	101,415	119,667
Professional fees	100,796	34,991
Listing, filing & investor relations	260,810	80,743
Office and general	402,905	127,862
	<u>865,926</u>	<u>363,263</u>

15. INTEREST INCOME

Interest income consists of interest earned and/or accrued on the Company's interest-bearing accounts and short-term investments, including interest earned on restricted cash (note 5). Pursuant to the Trust Indenture dated May 30, 2024 entered into among TSX Trust, Moon River, Sojitz and Moon River BC, the interest earned on the escrow funds is paid to the Company on a quarterly basis.

16. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its directors, officers, and significant shareholders.

During the six months ended June 30, 2025, a total amount of \$171,000 (2024 - \$178,000) were expensed for professional services provided by key management and officers of the Company, including \$60,000 (2024 - \$82,000) by a company controlled by the Chief Executive Officer and Director of the Company; \$45,000 (2024 - \$35,000) by a company controlled by Chief Financial Officer of the Company; and gross Director's fees of \$30,000 (2024 - \$30,000) paid to the Executive Chairman and Director of the Company. In addition, the Company paid total gross Director's fees of \$63,750 (2024 - \$33,750) to three non-executive Directors during the six months ended June 30, 2025.

During the six months ended June 30, 2025, the Company paid office rent of \$15,000 (December 31, 2024 - \$15,000) to Generation Mining Limited, a significant shareholder of the Company.

Included in accounts payable and accrued liabilities as at June 30, 2025 is \$2,825 (December 31, 2024 - \$2,825) due to the related parties of the Company. Such amounts were due on demand, unsecured and non-interest bearing.

17. 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 and restricted cash and investments. The Company's cash, restricted cash and investments are held through large Canadian Financial Institutions. The Company has no material 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. The Company's financial liabilities include accounts payable and accrued liabilities, all of which have contractual maturities of less than one year and are subject to normal trade terms. In addition, the Company has Earn Out Payment liabilities of up to \$10 million in aggregate, payable annually from May 30, 2027 to May 30, 2030 to the vendor of the 25% participating interest in the Endako Mine, contingent on the annualized molybdenum price reaching US\$26 per pound (note 4).

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17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk (continued)

The Company's primary source of working capital and liquidity is equity financing.

The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing (note 1). 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 material 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 except for the earn out liability discussed in note 5.

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. The Earn Out Payments arising from the Endako Acquisition (note 4) are carried at level 3 values on the balance sheet of the Company at June 30, 2025.

18. 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 acquisition, evaluation and exploration activities. 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.

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19. COMMITMENTS AND CONTINGENCIES

The Company's evaluation and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company considers its operations substantially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company agreed to Earn Out Payments of up to \$10 million in aggregate, payable annually from May 30, 2027 to May 30, 2030 to the vendor of the 25% participating interest in the Endako Mine, contingent on the annualized molybdenum price reaching US\$26 per pound (note 4).

In addition, the Company has commitments required to maintain its rights and titles to its mineral properties as disclosed in note 3 – Mineral Properties and Acquisition and Evaluation Expenditures.

20. SUBSEQUENT EVENT

On July 4, 2025, the province of British Columbia issued an amended permit to increase the reclamation security on the Endako Mine. As a result, the Company's share of the reclamation bond on the Endako Mine, in the form of a cash backed letter of credit, will increase by \$9,630,000 to \$25,105,000. The increase will be funded by the Company's restricted cash held in escrow (note 5).