HEARTFIELD MINING CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2022

AND NOVEMBER 30, 2021

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

HEARTFIELD MINING CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	November 30, 2022 (Unaudited)	February 28, 2022 (Audited)
ASSETS		
Current		
Cash	$ 223,499	$ 34,984
Amounts recoverable	13,728	7,246
Deferred financing costs	–	20,000
	237,227	62,230
Exploration and evaluation assets (Note 5)	128,957	92,957
	$ 366,184	$ 155,187
LIABILITIES		
Current		
Accounts payable	$ 15,098	$ 83,030
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	579,809	150,000
Contributed surplus	64,221	45,000
Deficit	(292,944)	(122,843)
	351,086	72,157
	$ 366,184	$ 155,187

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on: January 13, 2023

"Michael Dake" Director

"Sean McGrath" Director

HEARTFIELD MINING CORP.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended November 30, 2022	Three months ended November 30, 2021	Nine months ended November 30, 2022	Nine months ended November 30, 2021
EXPENSES				
Management fees	$ 10,500	$ 7,500	$ 21,500	$ 20,000
Occupancy costs	6,971	6,494	23,476	21,143
Office and miscellaneous	4,588	2,327	6,267	2,593
Professional fees	74,408	6,374	97,117	7,957
Stock based compensation	–	–	–	30,000
Transfer agent and filing fees	14,796	–	20,266	–
Travel and promotion	1,475	–	1,475	–
Net loss and comprehensive loss end of period	$ 112,738	$ 22,695	$ 170,101	$ 81,693
Loss per share (basic and diluted)	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.02)
Weighted average number of common share outstanding	9,979,563	4,966,912	9,979,563	4,966,912

HEARTFIELD MINING CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars) UNAUDITED

	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		$	$	$	$
Balances, February 28, 2022	9,650,001	150,000	45,000	(122,843)	72,157
Issued for cash (net)	5,000,000	399,809	19,221	–	419,030
Issued for exploration and evaluation asset	300,000	30,000	–	–	30,000
Comprehensive loss for the period	–	–	–	(170,101)	(170,101)
Balance, November 30, 2022	14,950,001	579,809	64,221	(292,944)	351,086
Balance March 24, 2021 (date of incorporation)	–	–	–	–	–
Shares issued for cash	9,650,001	150,001	–	–	150,001
Stock based payments	–	–	45,000	–	45,000
Comprehensive loss for the period	–	–	–	(81,693)	(81,693)
Balance November 30, 2021	9,650,001	150,001	45,000	(81,693)	113,308

HEARTFIELD MINING CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

		Nine months ended November 30, 2022		Nine months ended November 30, 2021
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$	(170,101)	$	(81,693)
Items not involving cash:				
Stock - based payments		–		30,000
		(170,101)		(51,693)
Changes in non-cash working capital balances:				
Other receivable		(6,482)		(6,353)
Deferred financing costs		20,000		–
Accounts payable and accrued liabilities		(67,932)		54,987
Cash used in operating activities		(224,515)		(3,059)
INVESTING ACTIVITIES				
Exploration and evaluation asset		(36,000)		(91,957)
Cash used in investing activities		(36,000)		(91,957)
FINANCING ACTIVITIES				
Shares issued for cash		449,030		150,000
Cashed used in financing activities		449,030		150,000
INCREASE IN CASH DURING THE PERIOD		188,515		54,984
CASH, BEGINNING OF PERIOD		34,984		–
CASH, END OF PERIOD	$	223,499	$	54,984
SUPPLEMENTAL DISCLOSURES				
Interest paid	$	–	$	–
Income taxes paid	$	–	$	–
Shares issued for and evaluation and exploration costs	$	30,000	$	–

1. NATURE OF OPERATIONS

Heartfield Mining Corp. (the “Company”) was formed on March 24, 2021 under the law of British Columbia. The address of the Company’s corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at November 30, 2022, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company’s mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had deficit of $292,944 as at November 30, 2022, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting (“IAS34”) using accounting policies consistent with the International Financial Reporting Standards (”IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended February 28, 2022.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (”IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

The financial statements were authorized for issue by the Board of Directors on January 13, 2023.

(Expressed in Canadian Dollars) UNAUDITED

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's February 28, 2022 annual financial statements.

4. ADOPTION OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

5. EXPLORATION AND EVALUATION ASSET

Porter Property option

On March 24, 2021, the Company (the "Optionee") entered into a Purchase Option Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Optionee has an option to acquire 100% interest in five mineral claims known as Porter Property located near Port Alberni on Vancouver Island, British Columbia, Canada (the "Claims") from the Optionor.

Under the terms of the Agreement, the Optionor have granted the Optionee the option to acquire all rights, title and interest within five kilometers of the five mineral claims. In addition, the Claims are subject to Net Smelter Return of 1.5% which can be purchased at any time for $1,500,000 by the Optionee.

Under the Agreement, the Optionee will make cash payments totaling $40,000 and issue 300,000 common shares as follows:

a. made a cash payment of $6,000 ("Initial Payment") upon execution and delivery of this agreement;
b. make a further cash payment of $6,000 and issue 300,000 (issued) common shares on the date upon which the common shares are listed on a stock exchange in Canada ("Listing date"); and
c. make a further cash payment of $28,000 within 18 months of the Listing date.

As at November 30, 2022, the Company incurred the following exploration and evaluation costs:

ACQUISITION COST		
Balance, March 24, 2021		-
Cash payment	$	6,000
Balance, February 28, 2022		6,000
Shares issued		30,000
Balance, November 30, 2022	$	36,000

(Expressed in Canadian Dollars) UNAUDITED

5. EXPLORATION AND EVALUATION ASSET (continued)

EXPLORATION AND EVALUATION COSTS		
Balance, March 24, 2021		-
Accommodations and meals		10,410
Assays		727
Data processing and report		7,131
Equipment rentals		822
Field supplies		1,285
Geological and field work		29,900
Geochemical surveying		16,970
Management administration		2,485
Technical report		10,000
Travel and transportation		7,227
Total exploration and evaluation costs for the period		86,957
Balance, February 28, 2022 and November 30, 2022	**$**	**92,957**

6. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares: As at November 30, 2022 there were 2,250,001 common shares held in escrow.

c) Issued and outstanding as at November 30, 2022: 14,950,001 common shares.

During the period ended February 28, 2022, the Company had the following transactions:

On March 24, 2021, the Company issued an incorporation share for a nominal amount.

During the period, the Company issued 2,000,000 flow-through common shares at a price of $0.005 per share for gross proceeds of $10,000 to the founders. The founder shares had a fair value of $40,000 and as a result, the Company recorded share-based compensation of $30,000 and a corresponding increase to contributed surplus.

During the period, the Company issued 1,000,000 flow-through common shares at a price of $0.005 per share for gross proceeds of $5,000 and 3,000,000 flow-through common shares at a price of $0.02 per share for gross proceeds of $60,000. The 1,000,000 flow-through common shares issued at $0.005 had a fair value of $20,000 and as a result, the Company recorded share-based compensation of $15,000 and a corresponding increase to contributed surplus. On the issuance date, the Company did not recognize flow-through shares liability as there was no premium in price over the common shares.

6. SHARE CAPITAL (continued)

During the period, the Company issued 3,750,000 common shares at a price of $0.02 per share for gross proceeds of $75,000.

Under the terms of the flow-through share private placements, the Company must incur $75,000 of Canadian Exploration Expenditures and renounce them to the shareholders of the Company.

During the period ended November 30, 2022, The Company had the following transactions:

During the period the Company issued 4,000,000 common shares at a price of $0.10 per share pursuant to a prospectus.

During the period the Company issued 300,000 shares at a deemed price of $0.10 per share for the exploration and evaluation asset.

During the period the Company issued 1,000,000 flow-through common shares at a price of $0.10 per share for gross proceeds of $100,000.

d) Stock options

During the period ended November 30, 2022, the Company adopted a Stock Option Plan (the “Plan”). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12 month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

e) Warrants

A Summary of the Company's share purchase warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 28, 2022	–	–
Granted	320,000	$0.10
Balance, November 30, 2022	320,000	$0.10

On November 9, 2022, the Company issued 320,000 agent warrants related to the IPO. The agent warrants are exercisable at $0.10 per share and two year from the date of issue. The weighted average remaining contractual life of the warrants is 1.94 years.

The following assumptions were used for the Black-Scholes valuation of warrants issued:

	2022
Share price	$0.10
Risk – free interest rate	4.10%
Expected life of warrants	2 years
Dividend rate	0%
Annualized volatility	115%

The fair value per agent's warrant issued is $0.10.

7. RELATED PARTY BALANCES AND 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. 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.

The Company had incurred the following key management personnel costs from related parties:

	2022	**2021**
	$	$
Management fees	21,000	20,000

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and family members that are considered related to key management.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at November 30, 2022 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	223,499	–	–	223,499

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2022 because of the demand nature or short-term maturity of these instruments.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. SUBSEQUENT EVENT

Subsequent to November 30, 2022 the Company made a $6,000 property option payment.