HEARTFIELD MINING CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED NOVEMBER 30, 2023

AND NOVEMBER 30, 2022

(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, 2023 (Unaudited)	February 28, 2023 (Audited)
ASSETS		
Current		
Cash	$ 5,535	$ 103,722
Amounts recoverable	6,294	15,629
	11,829	119,351
Exploration and evaluation assets (Note 5)	326,967	206,695
	$ 338,796	$ 326,046
LIABILITIES		
Current		
Accounts payable	$ 92,174	$ 34,202
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	674,677	564,677
Contributed surplus	64,221	64,221
Deficit	(492,276)	(337,054)
	246,622	291,844
	$ 338,796	$ 326,046

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on: January 29, 2024

"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, 2023	Three months ended November 30, 2022	Nine months ended November 30, 2023	Nine months ended November 30, 2022
EXPENSES				
Management fees	$ 10,500	$ 10,500	$ 31,500	$ 21,500
Occupancy costs	7,104	6,971	30,536	23,476
Office and miscellaneous	3,537	4,588	3,556	6,267
Professional fees	39,122	74,408	75,957	97,117
Transfer agent and filing fees	2,897	14,796	11,952	20,266
Travel and promotion	–	1,475	1,721	1,475
Net loss and comprehensive loss end of period	$ 63,160	$ 112,738	$ 155,222	$ 170,101
Loss per share (basic and diluted)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of common share outstanding	16,115,637	9,979,563	16,115,637	9,979,563

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, February 28, 2023	15,150,001	564,677	64,221	(337,054)	291,844
Issued for cash	875,000	35,000	–	–	35,000
Issued for exploration and evaluation asset	1,500,000	75,000	–	–	75,000
Comprehensive loss for the period	–	–	–	(155,222)	(155,222)
Balance, November 30, 2023	17,525,001	674,677	64,221	(492,276)	246,622

HEARTFIELD MINING CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

	Nine months ended November 30, 2023	Nine months ended November 30, 2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	$ (155,222)	$ (170,101)
Items not involving cash:		
Stock - based payments	–	–
	(155,222)	(170,101)
Changes in non-cash working capital balances:		
Other receivable	9,335	(6,482)
Deferred financing costs	–	20,000
Accounts payable and accrued liabilities	57,972	(67,932)
Cash used in operating activities	(87,915)	(224,515)
INVESTING ACTIVITIES		
Exploration and evaluation asset	(120,272)	(36,000)
Cash used in investing activities	(120,272)	(36,000)
FINANCING ACTIVITIES		
Shares issued for cash	35,000	449,030
Shares issued for exploration and evaluation asset	75,000	–
Cashed used in financing activities	110,000	449,030
INCREASE IN CASH DURING THE PERIOD	(98,187)	188,515
CASH, BEGINNING OF PERIOD	103,722	34,984
CASH, END OF PERIOD	$ 5,535	$ 223,499
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ –	$ –
Income taxes paid	$ –	$ –
Shares issued for and evaluation and exploration costs	$ 75,000	$ 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, 2023, 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 $492,226 as at November 30, 2023, 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, 2023.

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 29, 2024.

(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, 2023 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

Exploration and evaluation assets are as follows:

	Porter Property
Acquisition Costs	
Balance, March 24,2021	$ -
Additions – cash	6,000
Balance, February 28, 2022	6,000
Additions – cash	6,000
Additions – shares	30,000
Balance, February 28, 2023	42,000
Additions – Shares	75,000
Balance, November 30, 2023	$ 117,000
Exploration Costs	
Balance, March 24, 2021	$ -
Reports, surveying and sampling	85,957
Balance, February 28, 2022	85,957
Reports, surveying and sampling	78,738
Balance, February 28, 2023	164,695
Report, surveying and sampling	45,272
Balance, November 30, 2023	$ 209,967

5. EXPLORATION AND EVALUATION ASSET (continued)

Porter Property option

On March 24, 2021, the Company entered into a Purchase Option Agreement (the "Agreement") with an arms-length party (the "Optionor"). Pursuant to the Agreement, the Company 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 has granted the Company 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 Royalty of 1.5% which can be purchased at any time for $1,500,000 by the Optionee.

Under the Agreement, the Company 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 (paid):
b. make a further cash payment of $6,000 and issue 300,000 common shares on the date upon which the common shares are listed on a stock exchange in Canada ("Listing date") (paid and issued); and
c. make a further cash payment of $28,000 within 18 months of the Listing date.

The Company entered into a purchase agreement to acquire the El Medio claim, which is contiguous to the Company's Porter Property, 30 kilometres west of Port Alberni, BC. In consideration for the El Medio claim, the Company issued 1,500,000 common shares of the Company to the vendor, who will retain a 1.5% net smelter returns royalty, which can be purchased by the Company at any time for a cash payment of $1,500,000.

6. SHARE CAPITAL

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

b) Escrow shares: As at November 30, 2023 there were 1,500,001 common shares held in escrow.

c) Issued and outstanding as at November 30, 2023: 17,525,001 common shares.

During the period ended February 28, 2023, the Company had the following transactions:

During the year the Company issued 4,000,000 common shares at a price of $0.10 per share pursuant to a prospectus. Share issue costs paid in cash of $106,102, and agent warrants valued at $19,221 were incurred on issuance of the initial public offering prospectus.

During the year the Company issued 100,000 for services at a fair value of $0.10 per share.

During the year the Company issued 300,000 shares at a fair value of $0.10 per share for the exploration and evaluation asset.

During the year the Company issued 1,000,000 flow-through common shares at a price of $0.10 per share for gross proceeds of $100,000. On the issuance date, the Company did not recognize a flow-through share liability as there was no premium in price over the fair value of the common shares.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL

During the period ended November 30, 2023 the Company had the following transactions:

During the period the Company issued 875,000 flow-through units at a price of $0.04 per unit for gross proceeds of $35,000. Each unit is comprised of one flow-through share and one common share purchase warrant exercise at $0.05 for a period of 24 month from the date of issuance.

During the period the Company issued 1,500,000 common shares for exploration and evaluation assets.

d) Stock options

During the period ended November 30, 2023, 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.

e) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance, February 28, 2023	320,000	$0.10
Issued	875,000	$0.05
Balance, November 30, 2023	1,195,000	$0.06

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 0.98 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:

	2023	**2022**
	$	$
Management fees	31,500	21,500

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.

Included in accounts payable is $14,700 (2022 - $Nil) owed to a Company controlled by a director.

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 13, Fair Value Measurement, 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 asset is cash which is classified as FVTPL and is measured at Level 1 of the fair value hierarchy. The carrying value of the Company's financial liability (accounts payable) approximates its fair value due to the relatively short period to maturity of that instrument.

8. 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.

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. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits. The Company's market risk consists of risks from changes in currency exchange rates, interest rates and other market prices that affect its financial instruments. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

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 concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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. As at November 30, 2023, the Company has cash of $5,535, to settle accounts payable of $92,174. The Company's management of liquidity risk has not changed materially from that of the prior year.