

HIGHBURY PROJECTS INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Highbury Projects Inc.

Opinion

We have audited the accompanying financial statements of Highbury Projects Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As at December 31, 2021, the Company had working capital of \$943 and an accumulated deficit of \$4,168,043. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 14, 2022

Highbury Projects Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note(s)	December 31, 2021	December 31, 2020
		\$	\$
Assets			
Current assets			
Cash		14,918	125,030
Accounts receivable		3,131	3,647
Total current assets		18,049	128,677
Non-current assets			
Exploration and evaluation assets	3	1	1
Total assets		18,050	128,678
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4 and 6	17,106	16,850
Total liabilities		17,106	16,850
Shareholders' equity			
Share capital	5	4,066,406	4,066,406
Additional paid-in capital	5(d)	102,581	102,581
Deficit		(4,168,043)	(4,057,159)
Total shareholders' equity		944	111,828
Total liabilities and shareholders' equity		18,050	128,678

Corporate information and continuance of operations (note 1)

Commitments (note 7)

Segmented information (note 8)

Subsequent events (note 12)

The accompanying notes are an integral part of these financial statements.

These financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Sophia Shane Director

/s/ Al-Karim Jaffer Director

Highbury Projects Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the years ended	
	Note	December 31, 2021	December 31, 2020
		\$	\$
Expenses			
Foreign exchange gain		(20)	-
Impairment of exploration and evaluation assets	3	45,229	47,695
Investor relations		500	-
Office	6	982	548
Professional	6	50,718	51,020
Transfer agent fees		7,775	8,845
TSX listing and filing fees		5,700	6,100
Total loss and comprehensive loss for the year		110,884	114,208
Basic and diluted loss for the year attributable to common shareholders		(0.01)	(0.01)
Weighted average number of common shares outstanding		10,383,333	9,911,111

The accompanying notes are an integral part of these financial statements.

Highbury Projects Inc.
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share capital		Reserves		Total
	Number of shares	Amount	Additional paid-in capital	Deficit	
Balance at December 31, 2019	9,550,000	3,825,396	102,581	(3,942,951)	(14,974)
Shares issued for cash - private placement	833,333	250,000	-	-	250,000
Share issue costs	-	(8,990)	-	-	(8,990)
Loss and comprehensive loss	-	-	-	(114,208)	(114,208)
Balance at December 31, 2020	10,383,333	4,066,406	102,581	(4,057,159)	111,828
Loss and comprehensive loss	-	-	-	(110,884)	(110,884)
Balance at December 31, 2021	10,383,333	4,066,406	102,581	(4,168,043)	944

The accompanying notes are an integral part of these financial statements.

Highbury Projects Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2021	December 31, 2020
	\$	\$
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss for the year	(110,884)	(114,208)
Adjustments for items not affecting cash:		
Impairment of exploration and evaluation assets	45,229	47,695
Net changes in non-cash working capital items:		
Accounts receivable	516	(560)
Accounts payable and accrued liabilities	256	(8,971)
Net cash used in operating activities	(64,883)	(76,044)
INVESTING ACTIVITIES		
Exploration and evaluation assets additions	(45,229)	(47,695)
Net cash used in investing activities	(45,229)	(47,695)
FINANCING ACTIVITIES		
Proceeds from share issuance, net of share issue costs	-	241,010
Net cash from financing activities	-	241,010
Net change in cash	(110,112)	117,271
Cash, beginning of year	125,030	7,759
Cash, end of year	14,918	125,030
Cash paid during the year for interest	-	-
Cash paid during the year for income taxes	-	-

There were no significant non-cash transactions for the years ended December 31, 2021 and 2020.

The accompanying notes are an integral part of these financial statements.

Highbury Projects Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Highbury Projects Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 13, 2005 and is in the business of mineral exploration and development. The Company's common shares commenced trading on the TSX Venture Exchange (the "TSX-V") under the symbol "HPI".

The Company's head office, principal address and registered address and records office is Suite 206, 595 Howe Street, Vancouver, BC, V6C 2T5, Canada.

At the date of the financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As at December 31, 2021, the Company had working capital of \$943 (December 31, 2020 – \$111,827) and an accumulated deficit of \$4,168,043 (December 31, 2020 – \$4,057,159). These items may cast a significant doubt on the Company's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The financial statements of the Company for the year ended December 31, 2021 were reviewed by the Audit Committee and approved and authorized by the Board of Directors on April 14, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These accounting policies set out below have been applied consistently to all years presented in these financial statements.

Critical accounting estimates

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets 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 commence and complete 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.

During the year ended December 31, 2021, the Company wrote off the capitalized costs of \$45,229 associated with the Moore Creek Property (December 31, 2020 – \$47,695).

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

- Foreign exchange

In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of the Company is the Canadian dollar, as this is the currency of the primary economic environment in which the Company operates.

- Going concern

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

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange on the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments

The following table shows the classification of financial instruments under IFRS 9:

Financial assets:	
Cash	Amortized cost
Accounts receivable	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost

a) Financial assets

Classification and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

a) Financial assets (continued)

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at a mortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at a mortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the statement of loss and comprehensive loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at a mortized cost decreases, the previously recognized impairment loss is reversed through the statement of loss and comprehensive loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the a mortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or a mortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

b) Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at a amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

See Note 10 for relevant disclosures.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred.

All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as exploration and evaluation assets and are classified as intangible assets. General exploration costs not related to specific mineral properties are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units.

The Company has not yet determined whether or not any of its exploration and evaluation assets contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets do not necessarily reflect present or future values.

Exploration and evaluation assets are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use (being the present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Provision for environmental rehabilitation (continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

For the years presented the Company has no provisions for environmental rehabilitation.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payments expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payments and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Leases

Leases are recognized as a lease liability and a corresponding Right-of-Use ("ROU") asset at the date on which the leased asset is available for use by the Company. Liabilities and assets arising from a lease are initially measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate when the rate implicit in the lease is not readily available. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company.

Lease payments are allocated between the lease liability and finance costs. Cash outflows for repayment of the principal portion of the lease liability is classified as cash flows from financing activities. The interest portion of the lease payments is classified as cash flows from operating activities.

The ROU asset is initially measured at an amount equal to the corresponding lease liability and is subsequently depreciated on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognized as an expense in the statement of loss on a straight-line basis over the lease term.

For the periods presented, the Company has no leases.

New accounting standard

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these financial statements.

Highbury Projects Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

	For the years ended		Cumulative evaluation and exploration costs, December 31, 2021
	December 31, 2021	December 31, 2020	
	\$	\$	\$
Balance, beginning of year:	1	1	-
Exploration and evaluation costs incurred during the year:			
Acquisition costs	20,660	21,286	660,727
Assay and reports	-	-	54,447
Camp rentals and construction	-	-	239,360
Consulting	-	-	87,048
Equipment and rentals	-	-	618,397
Geophysics	-	-	134,407
Miscellaneous expenses	-	-	18,855
Operator's fees	-	-	95,937
Reclamation	-	-	15,468
Research and studies	-	-	1,152
Salaries and wages	-	-	99,077
Staking and claims costs	24,569	26,409	185,573
Supplies and consumables	-	-	125,590
Transportation	-	-	26,848
Travel and accommodation	-	-	168,829
Trenching	-	-	27,264
	45,229	47,695	2,558,979
Impairment	(45,229)	(47,695)	(2,558,978)
Balance, end of year:	1	1	1

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

Highbury Projects Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Moore Creek, Alaska

Pursuant to the Option Agreement with Full Metals Minerals Ltd. ("FMM") dated July 27, 2007, the Company has the sole and exclusive right and option to acquire an undivided 60% interest in the Moore Creek, Alaska property (the "Property").

During the year ended December 31, 2009, the Company signed a joint venture agreement dated February 19, 2009 with FMM whereby the Company has completed all its exploration expenditures to earn its 60% ownership interest in the Moore Creek Property which included approximately \$1,700,000 of exploration costs. All future obligations and expenditures incurred will now be prorated between the Company and FMM including annual mineral rights fees and other costs to maintain the property in good standing. FMM will continue to be the operators of the property and the Company will reimburse its share of the expenditures plus a ten (10%) percent administrative charge to FMM. The Company was notified by FMM that it would no longer be the operator and incur any further costs on the Moore Creek Property. In order to keep the option in good standing, the Company is required to make annual option payments of US\$50,000, which is adjusted for inflation starting in 2018. The annual option payment for Year 2014 to 2021 was subsequently amended as follows:

Annual Option Payments	Payment Amendment Date	Amended Payment		
Year 2014	February 2014	USD	12,000	Paid
Year 2015	March 2015	USD	10,000	Paid
Year 2016	January 2016	USD	12,000	Paid
Year 2017	February 2017	USD	16,000	Paid
Year 2018	January 2018	USD	16,000	Paid
Year 2019	February 2019	USD	16,000	Paid
Year 2020	January 2020	USD	16,000	Paid
Year 2021	January 2021	USD	16,000	Paid
Year 2022	January 2022	USD	16,000	Paid subsequent to December 31, 2021

The Property is subject to a 1.5% net smelter royalty.

During the year ended December 31, 2014, the Company decided not to continue exploration of the Moore Creek Property, but maintained the claims. As a result of the Company's management's decision not to conduct any significant work on the Moore Creek Property in the near future, the Company wrote off the capitalized costs associated with the Moore Creek Property during the year ended December 31, 2014.

During the year ended December 31, 2021, the Company paid \$20,660 (US\$16,000) (December 31, 2020 – \$21,286 (US\$16,000)) for the annual option payment and \$24,569 (US\$19,581) (December 31, 2020 – \$26,409 (US\$19,649)) for claim costs, which was capitalized as exploration and evaluation assets. These payments were subsequently written off to the statement of loss and comprehensive loss due to management's decision not to conduct any significant work in the near future.

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4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

		December 31, 2021	December 31, 2020
	Note	\$	\$
Trade payables	6	309	418
Accrued liabilities	6	14,546	13,906
Due to related parties	6	2,251	2,526
		17,106	16,850

5. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

At December 31, 2021 and 2020, the Company had 10,383,333 common shares issued and outstanding.

During the year ended December 31, 2021, no share capital transactions occurred.

During the year ended December 31, 2020

- On February 7, 2020, the Company completed a non-brokered private placement of 333,333 shares at a price of \$0.30 for gross proceeds of \$100,000 and incurred \$4,370 in share issuance costs.
- On October 30, 2020, the Company completed a non-brokered private placement of 500,000 shares at a price of \$0.30 for gross proceeds of \$150,000 and incurred \$4,620 in share issuance costs.

c) Stock Options

The Company adopted a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time and are exercisable within a maximum of ten (10) years. The vesting period for all options is at the discretion of the directors. The exercise price will be set by the directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

No options were granted, exercised or cancelled during the years ended December 31, 2021 and 2020.

As at December 31, 2021 and 2020, there were no options outstanding.

d) Additional paid-in capital

Additional paid-in capital records the fair value of the expired options and warrants initially recorded in stock options reserve and warrants reserve.

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6. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

The Company's related parties as defined by IAS 24, Related Party Disclosures, include the following directors, executive officers, key management personnel, and enterprises which are controlled by these individuals:

Related Party	Relationship
Al-Karim Jaffer	Interim CEO and Director
Alnesh Mohan	CFO and Corporate Secretary
Sophia Shane	Director
Janet Hoffar	Director
Quantum Advisory Partners LLP	A partnership in which the CFO is a partner
Twyford Ventures Inc.	A company with common directors
Anish Sunderji	Former CEO and Director
First Globe Capital	A company in which the former CEO is President

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2021, the Company entered into the following transactions with related parties:

- a) Rent and administrative services of \$263 (December 31, 2020 – \$263) was provided to a company with common directors.
- b) The Company paid professional fees of \$36,400 (December 31, 2020 – \$36,400) and share issuance costs of \$nil (December 31, 2020 – \$6,240) to Quantum Advisory Partners LLP whose incorporated partner is the Company's Chief Financial Officer and Corporate Secretary.

Related party balances

The balances due to the Company's related parties included in accounts payable and accrued liabilities were \$2,390 as at December 31, 2021 (December 31, 2020 – \$2,618). Amounts payable to related parties are unsecured, non-interest bearing and are due on demand.

7. COMMITMENTS

The Company has commitments to make annual option payments on its Moore Creek property as described in Note 3.

8. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All of the Company's exploration and evaluation assets are located in Alaska, United States of America.

9. CAPITAL MANAGEMENT

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 exploration and development of its exploration and evaluation assets, acquire additional exploration interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of equity.

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, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended December 31, 2021.

10. FINANCIAL INSTRUMENTS

a) Fair value

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

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10. FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value (continued)

Set out below are the Company's financial assets and financial liabilities by category:

<i>As at December 31, 2021</i>			
	FVTPL	Amortized cost	FVTOCI
	\$	\$	\$
Financial assets:			
Cash	-	14,198	-
Accounts receivable	-	3,131	
Financial liabilities:			
Accounts payable and accrued liabilities	-	17,106	-
<i>As at December 31, 2020</i>			
	FVTPL	Amortized cost	FVTOCI
	\$	\$	\$
Financial assets:			
Cash	-	125,030	-
Accounts receivable	-	3,647	
Financial liabilities:			
Accounts payable and accrued liabilities	-	16,850	-

10. FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash are all held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset-backed commercial paper.

The Company's accounts receivable consists of GST receivable from the government of Canada.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk related to its cash and accounts receivable is negligible.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained cash at December 31, 2021 in the amount of \$14,918, in order to meet short-term operating requirements. At December 31, 2021, the Company had accounts payable and accrued liabilities of \$17,106. All accounts payable and accrued liabilities are current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2021.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. A 1% change in interest rates on cash outstanding at December 31, 2021 would result in an insignificant change to the Company's profit and loss for the year ended December 31, 2021.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. Except for the option payment and claim costs for the Property (note 3), all transactions incurred during the year ended December 31, 2021 and balances of the monetary assets and liabilities as of December 31, 2021 are denominated in Canadian dollars; as a result, management believes that the Company is not subject to any significant foreign exchange risk.

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10. FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management (continued)

Market risk (continued)

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 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 gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
	\$	\$
Loss for the year	(110,884)	(114,208)
Expected income tax (recovery)	(30,000)	(31,000)
Change in statutory, foreign tax, foreign exchange rates and others	1,000	(1,000)
Share issue costs	-	(2,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	48,000	-
Change in unrecognized deductible temporary differences	(19,000)	34,000
Total income tax expense (recovery)	-	-

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2021	2020
	\$	\$
Deferred tax assets (liabilities)		
Exploration and evaluation assets	643,000	679,000
Property and equipment	1,000	1,000
Share issue costs	1,000	2,000
Non-capital losses available for future period	393,000	375,000
	1,038,000	1,057,000
Unrecognized deferred tax assets	(1,038,000)	(1,057,000)
Net deferred tax assets	-	-

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11. INCOME TAX (CONTINUED)

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2021	Expiry Date Range	2020	Expiry Date Range
	\$		\$	
Temporary Differences				
Exploration and evaluation assets	2,380,000	No expiry date	2,514,000	No expiry date
Property and equipment	3,000	No expiry date	3,000	No expiry date
Share issue costs	5,000	2044	7,000	2044
Non-capital losses available for future periods	1,455,000	2026 to 2041	1,388,000	2026 to 2040

12. SUBSEQUENT EVENTS

- a) On January 27, 2022, the Company received a non-interest bearing, unsecured demand loan of \$50,000. The loan was received from a 10% shareholder and is considered a related party transaction.
- b) On March 2, 2022, the Company entered into a non-binding letter of intent (the "LOI") with Interfield Solutions Ltd. ("Interfield") pursuant to which the Company and Interfield will enter into a business combination by way of a share exchange, three-corner amalgamation, merger, amalgamation, arrangement or other similar form of transaction (collectively, the forgoing with any related transaction, the "Transaction") which will result in Interfield and all of its subsidiaries and affiliates becoming directly or indirectly wholly-owned subsidiaries of the Company (upon completion of the Transaction, referred to as the "Resulting Issuer"). The Transaction will therefore result in a reverse take-over of the Company by Interfield whereby the existing shareholders of Interfield will own a majority of the outstanding common shares of the Company.