HIGHBANK RESOURCES LTD.

FORM 51-102F1

Management's Discussion & Analysis for the 1st Quarter & Year - ended March 31, 2022

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for the 1st Quarter ended March 31, 2022
(and containing information as of May 30, 2022)

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Item 1: INTERIM MD&A AND FORWARD-LOOKING STATEMENTS

Introduction

Management's Discussion and Analysis ("MD&A") focuses on significant factors that affected Highbank Resources Ltd.'s (the "Company" or "Highbank") performance and factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the unaudited Financial Statements for the quarter-ended March 31, 2022 and comparative unaudited Financial Statements and the accompanying notes for the quarter-ended March 31, 2021, copies of which are filed on the SEDAR website: www.sedar.com.

The Company reports its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The Company's financial statements and the MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company's development and financial situation.

Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" which include, but are not limited to, statements or information concerning the future financial or operating performance of Highbank Resources Ltd. and its business. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plan and objective for future operations, and include, without limitation, statements with respect to the anticipated production from the ***Swamp Point North Aggregate Project.*** In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; and government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions; fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgments regarding the direction of Highbank Resources Ltd.'s business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements or conform these statements to actual results.

In March 2020 the World Health Organization declared the outbreak of COVID-19 a global pandemic. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and; specifically, the regional economies in which the Company operates. The pandemic could continue to have a impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources. This discussion uses the terms "measured resources" and "indicated resources". The Company advises investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission do not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

NATURE OF BUSINESS

Highbank Resources Ltd. was incorporated March 17, 1980 under the laws of the Province of British Columbia. The Company is listed on the TSX Venture Exchange as a Tier 2 mining exploration issuer and is primarily engaged in the development of an aggregate resource property. The shares of the Company trade on the TSX-V under the symbol "**HBK**".

1.1 DATE – May 30, 2022

The following discussion and analysis were approved by the Directors of the Company and should be read in conjunction with the Unaudited Financial Statements for the quarter-ended March 31, 2022 and the Unaudited Financial Statements for the quarter-ended March 31, 2021 and the accompanying notes thereto.

1.2 OVERALL PERFORMANCE AND DEVELOPMENT

(i) Swamp Point North ("SPN"), Portland Canal, British Columbia

The Company's Swamp Point North aggregate property costs incurred in the period ended March 31, 2022 totaled $nil**.** Costs to date have been incurred totaling $5,646,615 (including amortization) in acquiring Plant, Buildings and Equipment and Mine under Development expenditures for the project, and $189,500 in reclamation bonds. During the year-ended December 31, 2021, an impairment of $5,646,615 (2020-$1,380,000) was recorded in Mine under Development, and Mining Equipment valued at $2,169,757 (2020 - $Nil) was written off. The Company does not intend to develop the property further and is actively seeking a purchaser.

The Company earned its 100% Working Ownership Interest (the "WOI") in 2008 to acquire the Portland Canal Aggregates Corporation ("PCAC") earn-in interest through the payment of $150,000 in advance royalties as required in the agreement; the issuance of 2,000,000 common treasury shares; and the completion of work program expenditures in excess of $1,300,000.

During 2005, the Company commenced the first phase work program. Approximately 8,000 lbs. of sample material from test pits over 20 feet deep were extracted from the property and shipped to Levelton Consultants Ltd. ("Levelton") of Richmond, B.C. for testing. All testing was done in compliance with Canadian Standards Association ("CSA") and American Society for Testing and Materials ("ASTM") standards for the evaluation of construction aggregates. The Company then commissioned a 2,024 line meters seismic refraction survey by Associated Mining Consultants ("AMCL") of Calgary, Alberta. Preliminary results showed that granular materials appear at depth of up to 250 feet, which indicated considerable tonnage of sand and gravel.

During 2006 the Company completed the following work:

- Site preparation and setup of a temporary Camp for crew accommodation and meals;
- Road building throughout the deposit and preparing sites for drill pads;
- Line cutting for seismic and other geophysics investigation;
- A 10 hole widely spaced (approx. 400 meter) Sonic Drilling program to bedrock;
- An additional 2900-meter Seismic Refraction Survey;
- Complete Airborne and Land property Survey;
- Temporary Docking facilities for float plane and other access; and
- Moving core to an off-site location and core-logging.

Further testing confirmed the presence of high-quality sand and gravel in approximate ratios of 51% sand and 49% gravel. Additional engineering studies were completed to crosscheck the volume calculations.

Exploration and development work through 2007 consisted of the following:

The Company engaged Micon International to assist in the Environmental Impact Assessment. This study is a required component of the Development Permit Application for establishment of a commercial extraction operation.

Associated Geosciences Ltd. ("AGL") of Calgary, Alberta was commissioned by the Company and PCAC to prepare a NI 43-101 Technical Report on the property's mineable sand, gravel, and aggregate resources and determine the optimal mine layout for preparation of a formal Mine Plan. G3 Consulting Ltd. conducted submarine investigation of the proposed load out site, water quality studies, fisheries studies and selected bathymetry. A remote sensing meteorological station and continuous hydrology recorders were installed on site to permit ongoing compilation of weather and surface water databases, and avian studies were conducted by Gartner Lee of Smithers, B.C., followed by wildlife and terrestrial ecosystem mapping.

The AGL resource estimate was determined from aggregate volumes estimated from depth-to bedrock measurements obtained from ten (10) cored boreholes and on the results from 4,664 metres of seismic refraction surveys undertaken by the Company in 2005 and 2006. Geophysicists from Associated Mining Consultants Ltd. of Calgary, Alberta conducted the geophysical surveys and geologists from AGL have examined the core and core logs obtained subsequently.

The geological modeling and aggregate resource estimation was completed by Susan O'Donnell, Geol.I.T., under the direction of Mr. Keith McCandlish, P.Geo., using the Gemcom-Surpac(TM) suite of geological modeling applications.

Eric Beresford, P.Eng., completed the mine planning, under the direction of Mr. Peter Cain, Ph.D., P.Eng., AGL's Head of Mining Engineering. AGL has relied on aggregate testing results performed by Levelton Consultants of Richmond, B.C. in assessing the quality of the aggregates on the property. This testing was conducted on bulk samples collected by the Company and Portland Canal Aggregates Corporation ("PCAC").

The Industrial Mineral Resource Estimate tables' following provides resource volumes and tonnes for two separate areas, and a third summary table. The separate areas represent the License area held by PCAC and the area (the "extension area") for which an Investigation Permit was issued by the BC government for PCAC:

License Area Resources

Classification	Volume (m3)	Mass (t) *
Measured	13,618,365	29,551,852
Indicated	1,848,388	4,011,002
Measured and Indicated	**15,466,753**	**33,562,854**
Inferred	203,772	442,185

Extension Area Resources

Classification	Volume (m3)	Mass(t)*
Measured	15,384,804	33,385,025
Indicated	2,195,467	4,764,164
Measured and Indicated	**17,580,271**	**38,149,189**
Inferred	831,465	1,804,279

Combined Area Resources

Classification	Volume (m3)	Mass(t)*
Measured	29,003,169	62,936,877
Indicated	4,043,855	8,775,166
Measured and Indicated	**33,047,024**	**71,712,043**
Inferred	1,035,237	2,246,464

* The specific gravity value of 2.17 used to convert volumes to tonnes is the value used by B.C. Government to assess extraction tonnages for royalty revenue purposes.

Material located within 250 m of a drill hole and complemented by geophysical data has been classified as measured, while material located outside the 250 m radius of a drill hole but still within 125 m of a geophysical data point has been classified as indicated. Inferred resources encompass all additional material located outside the optimum range to which the data can reasonably be projected, but within the limits of mining.

The Technical Report summarizing the above information is available on SEDAR. A news release dated November 29, 2007 was disseminated containing the preceding information and was reviewed and approved by Mr. Keith McCandlish, P.Geo. of Associated Geosciences Ltd., the qualified person under NI 43-101, and by Mr. Peter Cain, Ph.D., P.Eng.

On **March 27, 2008** the Company announced that it had completed its earn-in of a 100% Working Ownership Interest in the Swamp Point North—PCAC property.

2009 – 2013:

In 2012 the Company worked with B.C. Gov't. Ministry of Mines and Lands Dept. to obtain the permits to allow site clearing, construction and commence commercial production of an initial 235,000 tonnes per year of aggregates.

November 5, 2012 the Company announced the signing of a Cooperation Agreement ("CA") with the Metlakatla First Nation and the Metlakatla Development Corporation ("Metlakatla") in the development of the Swamp Point North Aggregate ("SPNA") project and to provide the Metlakatla with the opportunity to participate in the economic benefits arising from the development of SPNA within their traditional territory. The general terms of the CA are further described in the news release and can be viewed on the Company website at www.HighbankResources.com and on SEDAR.

January 16, 2013 – Highbank Resources Ltd. and PCAC announced receipt of acceptance of the Licence of Occupation ("LoO") renewals for both the sand and gravel quarry area, and the barge loading foreshore tenures. The LoO includes acceptance of the Tenure over Crown Land and the Management Plan. The next step is acceptance of the Notice of Work ("NoW") which will allow the Company to commence development and move toward production of the Swamp Point North aggregate deposit.

Archaeological Preliminary Field Reconnaissance ("PFR")

On **July 26, 2013** Kleanza Consulting Ltd. ("Kleanza") of Terrace, B.C. conducted an archaeological PFR of the Phase 1 development area of Highbank's proposed Swamp Point North aggregate quarry development (the "Development Area"). Further details of the PFR can be reviewed in the news release as filed on SEDAR and the Company website.

The Kleanza report confirmed that "no archaeological materials, features or areas of archaeological potential were identified within the Development Area ("DA"). No further archaeological survey or monitoring work is recommended for the proposed DA, provided Highbank does not significantly amend the DA boundaries". The letter report was provided to Highbank Resources Ltd., Metlakatla and Nisga'a First Nations, Archaeology Branch of the Ministry of Forestry, Land, and Natural Resource Operations, and the Ministry of Energy and Mines ("MEM").

Mine and Management Plan

DMT Geosciences Ltd. (formerly Associated GeoSciences), with the assistance of Mr. Eric Beresford, P.Eng. has now provided Highbank with a revised mine and management plan. The text and maps/drawings encompass the scope of work discussed and addresses the concerns raised by MEM. Micon International Limited is reviewing and compiling all the data preparing the revised Notice of Work ("NoW") application for re-submission. Megatech Engineering Ltd. of Surrey, B.C. provided Conceptual Engineering Drawings for our Swamp Point barge Load-out Facility.

November 19, 2013 – The Company received approval that the application for the expanded tenure area of its Swamp Point North aggregate deposit from the Ministry of Forests, Lands, and Natural Resource Operations of B.C. The tenure area is now more than double and increases the Gravel/Quarry Licence of Occupation ("LoO") area by an additional 123.19 hectares to a total 174.19 hectares.

2014 Summary:

March 19, 2014 - The Company received the Notice of Work ("NoW") Permit approval and a 'Reclamation Security Request' for the Swamp Point North Aggregate Project. Based on the information Highbank has provided as reviewed by the Ministry of Energy and Mines ("MEM"), and referral comments received from other government agencies and First Nations regarding the NoW and Reclamation Program application dated October 31, 2013, the MEM is ready to issue a new *Mines Act* Permit. The Company remitted the initial $45,000 reclamation security deposit.

March 24, 2014 - Cypress Forest Consultants Ltd. of Terrace, B.C. helicoptered to Swamp Point North site and compiled a merchantable timber assessment which was used to compile the Occupant Licence to Cut ("OLTC") application to the Ministry of Forest, Lands and Natural Resource Operations ("FLNRO").

April 11, 2014 - The Company remitted the final payment totaling $189,500 for the reclamation security deposit, as required prior to the Company initialing mobilization to the Swamp Point North project site.

April 22, 2014 - The Company received written notice from Fisheries & Oceans Canada, that they have accepted our December 4, 2013 proposal to 'Construct a barge loading facility, comprised of barge moorage, barge mooring dolphins and a pile supported aggregate conveyor, and barge landing ramp on Portland Canal.

May 26, 2014 - The Ministry of Forest, Lands and Nature Resource Operations completed its review of our application for an Occupant Licence to Cut and Remove Timber ("OLTC") and issued the Licence.

June - July, 2014 - The first tug and barge load of equipment and supplies departed from the Port of Prince Rupert travelling north to Swamp Point in June. In July a second barge load of equipment and supplies was delivered from the Port of Prince Rupert. Contractors worked on refurbishing the existing camp trailers, setting up the additional Atco trailer (containing dry room, showers, washrooms and laundry); rebuilding the service roadways from the foreshore to the camp and plant site; repairing and upgrading the crew boat landing dock; and other site clearing.

July 24, 2014 - Further to the receipt of our **'*Mines Act*' Permit dated March 19, 2014** the Company submitted to the Ministry of Energy and Mines ("MEM") the various 'special conditions' and other pertinent permit approvals which are an integral part of the permit.

August 20, 2014 - The Company finalized a contract with Foresight Innovations Ltd. ("Foresight") of Victoria, B.C. to drive the pilings and complete the infrastructure for the Company's barge load-out facility at SPN. The piling work for the barge load-out and conveyor system was completed in October. A total of 24 pilings have been installed with excellent penetration in compacted gravel to average depths of 55 -65 feet.

September 4, 2014 - The Company received the *Mines Act* Permit which authorizes sand and gravel (aggregate) extraction activities as detailed in the NoW dated October 31, 2013.

November 6, 2014 - The Company's crews moved the wash/screening plant and cone crusher to their final operational location on the SPN deposit.

2015 Summary:

April 14, 2015 - Another Major Milestone has been Reached. Our director- James Place, P.Geo. was on the SPN site for the commissioning of the wash plant, cone crusher, jaw crusher and stacking conveyor systems. For further details of this milestone you can review the news release as filed on www.SEDAR.com or the Company website at www.HighbankResources.com as well as links to the production video.

May 4, 2015 - Highbank announced the delivery of its 1st shipment of aggregates to the Port of Prince Rupert.

May 5, 2015 - Highbank announced the completion of a positive NI 43-101 Technical Report on a Preliminary Economic Assessment (the "PEA") of Highbank's Swamp Point North Aggregate Project. Highlights of the PEA include a net present value of Cdn. $24.3 million after tax, discounted at 8% p.a. The base case cash flows for years 1-3 from the PEA were summarized along with other details. For further information review the news release as filed on SEDAR or the Company website. The complete PEA can also be reviewed on SEDAR at www.SEDAR.com.

June - August, 2015 - Further site development continued, as well as the production and stockpiling of various sizes of construction aggregates in preparation for shipping.

2016 -2017 Summary:

March 22, 2017 – The Company announced it has received approvals from the Ministry of Forests,

Lands and Natural Resources Operations ("FLNRO"), British Columbia to renew the current Licences of Occupation for the SPN properties and foreshore (load-out area). Renewals will be for an additional fifteen (15) years from March 5, 2017.

December 15, 2017 – The Company announced that a bulk sample of approximately 750 tonnes of bank run aggregate (pit-run) and quarried stone from SPN has been delivered to the Port of Prince Rupert. The material will undergo processing and product testing.

2018 Summary:

Additional aggregate product testing and processing was completed in January & February 2018 at GeoNorth Engineering Ltd. (Prince George) & Metro Testing Laboratories (Burnaby, B.C.), with samples also forwarded to potential construction and aggregate purchasers for their further examination.

2019 Summary:

Throughout the first six months of 2019 the SPN site continued on 24-7 site security and maintenance. During June 2019 the Company decided to remove the mobile, production and fuel storage equipment from the site to secure land sites to reduce further the costly 24-7 site security, insurance, and depreciation of the equipment. The job was completed in stages over the subsequent months.

2020 Summary:

During the first quarter of 2020, the Company entered into an agreement with Ritchie Bros. Iron Planet to arrange the sale of the mobile mining equipment. Equipment not sold privately was delivered to a Ritchie Bros. auction site in Edmonton, Alberta for sale. Demobilization costs of $Nil ($46,062 in 2020) were incurred and a gain on disposal of assets of $Nil ($10,811 in 2020) was recorded.

2021 Summary:

No SPN activity took place in the year. The property, barge load-out and equipment was impaired as per IFRS guidelines.

(ii) Integrous Energy Partners ("IEP")

August 10, 2021 – The Company announced the execution of a non-binding Letter of Intent ("LOI") for the company to acquire 100% of IEP, a private company headquartered in Austin, Texas.

April 13, 2022 – The Company announced the termination of the Letter of Intent with Integrous Energy Partners LLC as previously announced August 10, 2021. The Company will not be proceeding with the acquisition of certain Petroleum and Natural Gas Rights that would have resulted in a change of business pursuant to Policy 5.2 – *Change of Business and Reverse Takeovers* of the Exchange.

(iii) Other

November 22, 2017 – The Company announced it has been assigned a Legal Entity Identified ("LEI") number. The European Union has adopted regulations that require use of the LEI as a barcode equivalent aimed at pinpointing systemic risks. For further details about the LEI, review our news release as filed on SEDAR.

November 5, 2018 – The Company has updated and re-launched its website at www.highbankresources.com. If you wish to receive further information on Highbank, please complete the subscription information on our 'Contact' page.

July 14, 2020 -Due to the COVID-19 pandemic, under section 182(4) of the Business Corporations Act, the Company was permitted to extend the time within which it was required to hold its Annual General Meeting for the year 2020 to early 2021.

February 5, 2021 -The Annual General Meeting ("AGM") of Highbank Resources Ltd. was held in the boardroom of our new office location at #615 – 800 West Pender Street, Vancouver, B.C. At the meeting shareholders re-elected James H. Place, Gary Musil, and William J. Loucks as directors for the upcoming year. The scrutineer reported that there was a total of 10 shareholders holding 8,200,975 common shares represented in person or by proxy at the meeting. This represents 5.86% of the total 139,906,621 shares issued and outstanding at record date.

The results of the Election of Directors were:

Nominee	Votes "For" & %	Votes "Withheld" & %
James H. Place	8,131,475 - 99.15%	69,500 - 0.85%
Gary Musil	7,731,475 - 94.28%	469,500 - 5.72%
William J. Loucks	7,792,975 - 95.02%	408,000 - 4.98%

Shareholders approved, subject to acceptance by the TSX Venture Exchange, the Company's Incentive Stock Option Plan (99.91% in favour). Shareholders also approved the re-appointment of Crowe MacKay LLP, Chartered Professional Accountants as auditors for the ensuing year, and authorized the Directors to fix their remuneration (100% in favour).

Other resolutions submitted by management to shareholders for consideration were approved as presented; including the ratifying of the Company's Advance Notice Policy ("ANP") as attached to the Information Circular as Schedule "C". In order for the ANP to remain in effect, the ANP must be ratified, confirmed and approved at each subsequent Annual General Meeting (99.15% in favour).

At the Directors Meeting following, the Directors appointed James H. Place as President/Chief Executive Officer & Chairman, and Gary Musil as Corporate Secretary/Chief Financial Officer. The Audit Committee appointees are: Gary Musil, William (Bill) J. Loucks, and James H. Place.

The Board of Directors gave a special Thank you to Luard J. Manning, P.Eng. who did not stand for re-election; for his 18+ years as a Director, Audit Committee Member, Advisor, and support to Highbank. Luard Manning is a Life Member B.C. Professional Engineers and CIMM.

1.3 SELECTED ANNUAL INFORMATION

		Year-ended Dec. 31, 2021	**Year-ended Dec. 31, 2020**	**Year-ended Dec. 31, 2019**
a.	Net Sales or Total Revenues	**$Nil**	**$Nil**	**$Nil**
b.	Loss before Other Items(i)	**($360,327)**	**($398,711)**	**($346,825)**
c.	Net and Comprehensive Loss (ii)	**($8,434,885)**	**($2,463,112)**	**($2,879,619)**
d.	Loss per fully diluted share basis	**($0.06)**	**($0.02)**	**($0.02)**
e.	Total Assets	**$202,418**	**$8,071,028**	**$9,707,158**
f.	Total Long-Term Financial Liabilities	**$2,686,844**	**$94,750**	**$4,094,750**
g.	Cash Dividends Declared per Share	**$Nil**	**$Nil**	**$Nil**

i. Items accounted for at year-end now included in Loss before Other Items are:

-**In 2021 - $Nil**

-In 2020 recorded stock-bases compensation expense of $63,528 (a non-cash item).

-In 2019 - $Nil

ii Items accounted for at year-end included in Net and Comprehensive Loss are:

- **In 2021 recorded impairment of property and plant of $7,825,010 and interest on Convertible Debentures, Promissory Notes, and Production Loans of $696,048.**
- In 2020 recorded further Demobilization costs of $46,062 ($183,353 in 2019); Gain on disposal of assets held for sale of $10,811 ($Nil in 2019); impairment on mine under development of $1,380,000; interest on Convertible Debentures, Promissory Notes, and Production Loans of $649,150.
- In 2019 recorded a write-down of property and equipment of $3,171; an impairment on mine under development of $1,690,000; and interest on Convertible Debentures, Promissory Notes, and Production Loans of $656,270.

1.4 DISCUSSION OF OPERATIONS UP TO AND INCLUDING THE 1st QUARTER ENDED MARCH 31, 2022:

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation. A significant part of the Company’s value is in Resource Property Interests relating to the Swamp Point aggregate project.

The Company’s Swamp Point aggregate project is currently not in production.

Material Expenditures:

For the three months ended March 31, 2022, the Company reported in its Statement of Comprehensive loss a Net and comprehensive loss including other items of $319,147 ($244,658 in 2021). Total Operating Expenses before Other Items decreased by $$14,821 (18%) for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Increases in the year: Management Fees with Wages & Salaries (accrued) were unchanged at $37,500 in 2022 ($37,500 in 2021).

Decreases were recorded in: Interest and bank charges were $23,816 in 2022 ($27,137 in 2021); Office and miscellaneous expenses combined with Rent were $2,250 in 2022 ($3,355 in 2021); as the Company moved office locations on December 1, 2020 and significantly reduced monthly rental costs and associated expenses. Professional fees (Audit, Accounting & Legal) of $2,151 decreased in 2022 ($7,316 in 2021). Regulatory and transfer agent fees of $1,729 in 2022 ($5,619 in 2021) decreased due to the annual general meeting being held in February 2021, postponed from its regular schedule of July 2020. Travel, Promotion/Shareholder Information combined decreased to $78 in 2022 ($1,015 in 2021).

Other Items: The Company recorded Interest on Promissory notes and Convertible debentures of $249,516 in 2022 ($162,288 in 2021). The Company arranged amendments to the Convertible debentures effective January 1, 2021 through to December 31, 2023. The Company is now recording all Swamp Point expenses in the period incurred and has property maintenance costs of $2,082 ($nil in 2021).

1.5 SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

For the Quarterly Periods Ending on	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
Total Revenues	**$Nil**	$Nil	$Nil	$Nil
Net Loss before Other Items	**($67,549)**	($111,801)	($70,340)	($94,816)
Total Comprehensive Net Loss	***($319,147)**	**($7,731,211)	***($301,714)	****($157,302)
Basic and diluted loss per share	**($0.00)**	($0.06)	($0.00)	($0.00)

For the Quarterly Periods Ending on	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**
Total Revenues	$Nil	$Nil	$Nil	$Nil
Net Loss before Other Items	($83,370)	($99,377)	($136,140)	($85,835)
Total Comprehensive Net Loss	*($244,658)	**($1,676,509)	***($301,081)	****($202,274)
Basic and diluted loss per share	($0.00)	($0.01)	($0.00)	($0.00)

***March 31, 2022 quarter compared to March 31, 2021, the major increase was in promissory notes, convertible debentures, and production loan interest of $249,516 ($162,288 in 2021).**

***December 31, 2021** quarter compared to December 31, 2020, the major increase was in Impairment of property and equipment of $7,825,010 ($1,380,000 in 2020) and an income tax recovery of $446,500 ($nil in 2020).

****September 30, 2021** quarter compared to September 30, 2020, the increase was in promissory notes, convertible debentures and production loan interest of $231,374 ($162,288 in 2020).

*****June 30, 2021 quarter** compared to June 30, 2020; the major decrease was a reduction in promissory notes, convertible debentures, and production loan interest of $62,486 ($162,205 in 2020).

1.6 LIQUIDITY:

At **March 31, 2022**, the Company had a working capital deficiency of $7,143,933. At December 31, 2021 the Company had a working capital deficiency of $6,961,113.

The Company is investigating other financing avenues and expects to increase working capital to continue administrative operations. In June 2019 the Company decided to remove the mobile, production and fuel storage equipment from the remote site to secure land sites to reduce further the costly 24-7 site security, insurance, and depreciation of the equipment. The job was completed in stages over the subsequent months. The Company has sold the equipment to cover administrative costs, repayment of the demobilization expenses incurred, and reduced having to arrange further substantial demand loans and debt.

A portion of the current liabilities ($1,116,659) is due to related parties and is non-interest bearing.

1.7 CAPITAL RESOURCES:

The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company obtains financing by the issuance of share capital and promissory notes. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company has been advertising the Swamp Point North deposit for sale during the past year.

(a) <u>During the 1st Quarter ended March 31, 2022 the Company completed the following:</u>

(i) The Company CFO loaned the Company a total of $5,700. The amount bears interest at 1.5% per month and is payable on demand.

(ii) March 10, 2022- A Director of the Company and a non-related third party loaned the Company $40,000 to cover further administrative expenditures (ie. Audit fees, TSX.V Exchange (the "Exchange") annual sustaining fees, transfer agent fees, office rent, etc.) The amount bears interest at 1.5% per month and payable on demand. In addition, the Company has agreed (subject to regulatory approvals) to issue, an aggregate of one hundred and sixty thousand (160,000) common shares, at a deemed price of $0.05 per share as a bonus for the loan.

<u>Commitments</u>

The Company has no further commitments for capital expenditures (including exploration and development) on the Swamp Point North aggregate project. It has earned its 100% Working Ownership Interest in the project and continues to develop the project at its own pace.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no long-term debt other than the reclamation obligation, does not have any used lines of credit or other arrangements in place to borrow funds, and has no undisclosed Off-Balance Sheet Arrangements.

(i) August 12, 2021 – Further to the TSX Venture Exchange (the "Exchange") bulletin dated August 10, 2021, trading in the shares of the Company will remain halted, pending receipt and review of acceptable documentation regarding the change of business and/or reverse takeover, pursuant to Exchange listings Policy 5.2.

This regulatory halt is imposed by the Investment Industry Regulatory Organization of Canada ("IIROC"), the market regulator of the Exchange, pursuant to the provision of Section 10.9(1) of the universal market integrity rules.

(See Subsequent Event Notes 1.14- (C))

1.9 TRANSACTIONS BETWEEN RELATED PARTIES

a. Management fees of **$22,500** were incurred with a company controlled by the President of the Company (2021 – $22,500).

November 1, 2015 – The Company entered into a Management Agreement with Geomorph Consulting (James Place). Details of the agreement include the following:

The Company has agreed to pay a monthly fee of $7,500 per month, plus applicable taxes (the "Fees") with a term of twenty-four months. The Company will also reimburse the Consultant for all reasonable business, travel, hotel, entertainment and other out-of-pocket expenses which are incurred by the Consultant in the provision of his services. A termination clause has been included whereby the Consultant is entitled to the following fees resulting from change of control or termination by the Company:

(i) 3 times the Fee if the Consultant is terminated within the first six months of this agreement.
(ii) 5 times the Fee if the Consultant is terminated within six months and one day to one year of this agreement.
(iii) 10 times the Fee if the Consultant is terminated from one year thereafter of this agreement.

"Change of Control" means any event, including an amalgamation, merger or consolidation that causes:

(i) A third party to own or control, directly or indirectly, 50% or more of the voting shares of the Company;
(ii) A third party to own or control, directly or indirectly, sufficient voting shares in the Company to elect a majority of the directors of the Company;
(iii) An assignment, sale, or transfer by the Company of all or substantially all of the Company's business to a third party or to an affiliate or a wholly owned subsidiary; or
(iv) An assignment, sale, or transfer by the Company of all or substantially all of the Company's assets to a thirty party or to an affiliate or a wholly owned subsidiary.

Further details of the agreement can be reviewed on www.SEDAR.com under Highbank Resources Ltd. filings.

An amount of **$583,050 (incl. GST) remains outstanding as at March 31, 2022** to Geomorph Consulting.

November 1, 2021 – The Management Agreement with Geomorph expired. The Agreement was renewed in accordance with the clause which stated that the Agreement shall be automatically renewed for a consecutive twenty-four (24) month term, subject to termination in accordance with this Agreement.

b. Office, Accounting Service Salaries and benefits totaling **$15,000** (2021 **-** $15,000) were incurred with the Chief Financial Officer (the "CFO").

On **June 1, 2014, the Company amended the Office Services Agreement with the CFO for a term of 24 months.** Thereafter, this agreement shall be automatically renewed for consecutive twenty-four (24) month terms, subject only to termination in accordance with the Agreement. In addition to the CFO's salary of $5,000 per month (the "Fee"), the CFO shall be entitled to the following benefits:

(i) Annual Vacation – Six (6) weeks paid vacation, to be taken at the discretion of the CFO.
(ii) Statutory Holidays – To be paid as defined in the Employment Standards Act (British Columbia.

A Termination clause was included as follows:

> The Company may terminate the Agreement at any time by giving the CFO written notice of such termination. In the event of termination of the Agreement by the Company for any reason other than a termination under 'Termination for Default', the Company shall pay the CFO an amount that is 14 times the Fee (the "Termination Payment"), within 15 business days of the day that one party gives notice of termination of the Agreement to the other, or the day on which the CFO deceases,

as applicable; including other general terms.

Effective July 2019 the Agreement was amended to include a company controlled by the Chief Financial Officer. Prior year's figures have been restated to reflect this change.

An amount of **$225,000 and $165,000 remains outstanding as at March 31, 2022** to the Chief Financial Officer and a company controlled by the Chief Financial Officer for salaries and expenses.

c. The following amounts are due to related parties:

(i) Directors of the Company $225,000 at March 31, 2022 ($225,000 at March 31, 2021)
(ii) Companies owned by an Officer/Director of Company $771,675 at March 31, 2022 ($578,926 at December 31, 2021).
(iii) Companies with common officer and directors $119,983 at March 31, 2022 ($119,983 at December 31, 2021).
(iv) Promissory notes/loans with Directors of the Company totaling $237,200 ($191,500 at December 31, 2021)

d. The following amounts are due from related parties:

(i) Companies with common directors $1,704 at March 31, 2022 ($1,704 at December 31, 2021)

The transactions above have been in the normal course of operations and, in management's opinion, undertaken under similar terms and conditions as transactions with unrelated parties.

1.10 PROPOSED TRANSACTIONS/COMMITMENTS

N/A

1.11 CRITICAL ACCOUNTING ESTIMATES

Our financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and their useful lives for amortization, the fair value of compound financial instruments, and provision for restoration. Financial results as determined by actual events could differ materially from those estimates.

<u>Risk management:</u>

The Company's mineral property holdings and exploration activities create potential exposure to environmental liabilities, including site reclamation. The Company is currently entering the development stage of its main Canadian property interest and has accrued $94,750 as initial site reclamation costs. The Company records liability for site reclamation when determinable on a systematic accrual basis in the period in which such costs can be reasonably determined.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. Due to current economic conditions in capital markets the Company has a high risk associated with liquidity.

Share-based payment:

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

1.12 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

IAS 37 - The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Company adopted the amendments effective January 1, 2022.

Accounting standards issued but not yet effective - IAS 1

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

1.13 FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, reclamation bond, trade payables and accrued liabilities, promissory notes, convertible debenture, production loan, and due to and from related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

1.14 OTHER MD&A REQUIREMENTS

Additional Information related to the Company is on SEDAR at www.sedar.com as well as the Company's website www.highbankresources.com.

Effective **January 1, 2020** the Company's registered and records office and solicitor has moved to Suite 1400, 1125 Howe Street, Vancouver, B. C. V6Z 2K8.

A. Authorized and Issued Share Capital as at May 30, 2022

Authorized: Unlimited common shares without par value.
Issued and outstanding: **140,106,621** common shares.

B. Options, Warrants & Convertible Securities Outstanding as at May 30, 2022

The following options, warrants, and convertible securities were outstanding as at May 30, 2022

Options		
Number	**Exercise Price**	**Expiry Date**
4,250,000	$0.05	July 17, 2023
4,250,000		

Warrants		
Number	**Exercise Price**	**Expiry Date**
Nil		

Convertible Debentures		
Amount	**Exercise Price**	**Expiry Date**
$ 4,000,000	$0.10	December 31, 2023
$ 4,000,000		

The Company negotiated an amendment to the expiry dates to December 31, 2023.

C. **Subsequent Events following March 31, 2021 to May 30, 2022:**

April 22, 2022 – The Exchange requested that the Company advise shareholders that it is not in compliance with TSX Policy 3.1 "*Directors, Officers, Other Insiders & Personnel and Corporate Governance" sections 5.7 and 21 (b).* The Company has been put on notice and been given 90 days to appoint an additional independent director. The Company currently has three (3) directors and only one (1) is independent. The Company will also appoint the new director to the audit committee which will then comply with the requirements; of at least three (3) Directors, the majority of whom are not Officers, employees or Control Persons of the Company or any of its Associates or Affiliates. The Company is currently actively interviewing qualified persons and will update shareholders as events unfold.

Effective at the opening on Tuesday, **April 26, 2022** the common shares of the Company resumed trading under the symbol "TSX.V: HBK".

May 3, 2022 - The Company announced the appointment of Thomas (Tom) Q. O'Connor to its board of directors and audit committee. Further details of his experience can be reviewed on the Company's website and as filed on SEDAR.

Further to our news release of April 22, 2022 the Company is now in compliance and has an independent board and duly constituted audit committee.

May 3, 2022 – Annual & Special General Meeting – The Company advised the regulatory agencies that it has set July 8, 2022 as the date for the AGM. Shareholders of Record on June 3, 2022 will qualify to vote. Mailing of the Annual Information Circular and Proxy related materials are being prepared for mailing on June 13, 2022.

May 6, 2022 – The Exchange accepted for filing the Company's proposal to issue 160,000 bonus common shares to 2039395 Ontario Ltd. (William Loucks & a non-related third party) at a deemed price of $0.05 per share in consideration of a loan in the amount of $40,000 for a term of one year, and bears interest at a rate of 1.5% per annum.

D. Evaluation of Disclosure Controls and Procedures

An internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company operates with a small executive board and internal staff. Accordingly, lack of segregation of duties is an identified internal control weakness. There have been no significant changes in the Company's system of internal financial controls over the past year.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109.

Note to Reader

In particular, the certifying officers are not making any representations relating to the establishment and maintenance of controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

E. Corporate Governance Disclosures

The Company has submitted to its members and shareholders details in the Information Circular dated **January 6, 2021** the Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Company's Information Circular can be reviewed on www.Sedar.com.

F. Risks and Uncertainties

The Company's principal activity is aggregate mine exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic.

The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has limited financial resources. However, substantial expenditures were made in the year-ended December 31, 2014 in order to advance the Swamp Point project to a production stage. The Company advises that while it has made the decision to put the Swamp Point project into production, the Company is not basing its production decision on a feasibility study of mineral reserves demonstrating economic and technical viability. There exists an increased economic and technical risk of failure associated with such a production decision.

Other property interest, in which the Company has a net smelter return, is in the exploration stages only, is without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

HIGHBANK RESOURCES LTD.

CORPORATE DATA

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Gary Musil, CFO, Secretary/Director
William (Bill) J. Loucks, CPA, CA, Director
Thomas (Tom) Q. O'Connor, Director

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Listing

TSX Venture Exchange
Symbol: **HBK**
Frankfurt Stock Exchange
Symbol: **V7O**

Share Capitalization
(March 31, 2021)

Authorized: Unlimited
Issued & Outstanding: **139,946,621**