



Midland Exploration Inc.

Condensed Interim Consolidated Financial Statements

Three months ended December 31, 2024

The attached condensed interim consolidated financial statements have been prepared by Management of Midland Exploration Inc. and have not been reviewed by the external auditor

Midland Exploration Inc.

Consolidated Statements of Financial Position
(Unaudited, in Canadian dollars)

	As at December 31, 2024	As at September 30, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,229,099	1,590,510
Investments (note 3)	3,591,200	3,175,000
Accounts receivable	46,465	197,742
Sales tax receivable	61,811	140,974
Tax credits and mining rights receivable	163,348	70,911
Listed shares	12,767	15,481
Prepaid expenses	73,374	105,563
Total current assets	7,178,064	5,296,181
Non-current assets		
Investments (note 3)	-	500,000
Listed shares	205,700	205,700
Right-of-use assets	2,489	9,962
Exploration and evaluation assets (note 4)		
Exploration properties	2,281,460	2,260,232
Exploration and evaluation expenses	33,008,486	32,948,249
	35,289,946	35,208,481
Total non-current assets	35,498,135	35,924,143
Total assets	42,676,199	41,220,324
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	299,382	592,225
Advance received for exploration work	1,039,221	1,089,493
Liability related to the premium on flow-through share	418,323	-
Lease liabilities	7,508	16,612
Total liabilities	1,764,434	1,698,330
Equity		
Capital stock	59,457,092	57,236,502
Contributed surplus	6,863,816	6,840,786
Deficit	(25,409,143)	(24,555,294)
Total equity	40,911,765	39,521,994
Total liabilities and equity	42,676,199	41,220,324

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

Midland Exploration Inc.

Consolidated Statements of Comprehensive Loss
(Unaudited, in Canadian dollars)

	Three months ended December 31	
	2024	2023
	\$	\$
Revenues		
Project management fees	5,362	31,796
Operating Expenses		
Salaries	301,742	198,255
Stock-based compensation	16,849	31,349
Office and other expenses	41,620	93,440
Regulatory fees	13,327	12,112
Conferences and investors relations	108,165	96,938
Professional fees	64,826	80,869
Depreciation	7,473	7,473
General exploration	11,801	13,915
Impairment of exploration and evaluation assets (note 4)	175,235	46,615
Operating expenses	741,038	580,966
Other revenues (expenses)		
Interest income	30,773	100,836
Change in fair value – listed shares	(2,714)	(26,082)
Financing fees	(238)	(846)
	27,821	73,908
Loss before income taxes	(707,855)	(475,262)
Recovery of deferred income taxes	10,287	88,793
Loss and comprehensive loss	(697,568)	(386,469)
Basic and diluted loss per share	(0.01)	(0.00)
Weighted average number of basic and diluted outstanding shares	88,924,497	84,660,783

The loss and comprehensive loss are solely attributable to Midland Exploration Inc. shareholders.

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Midland Exploration Inc.

Consolidated Statements of Changes in Equity (Unaudited, in Canadian dollars)

	Number of shares outstanding	Capital stock	Contributed surplus	Deficit	Total equity
		\$	\$	\$	\$
Balance at October 1, 2024	86,870,758	57,236,502	6,840,786	(24,555,294)	39,521,994
Loss and comprehensive loss	-	-	-	(697,568)	(697,568)
Private placement (note 5)	625,000	200,000	-	-	200,000
Flow-through private placement (note 5)	6,123,000	2,449,200	-	-	2,449,200
Less: premium	-	(428,610)	-	-	(428,610)
	6,123,000	2,020,590	-	-	2,020,590
Stock-based compensation	-	-	23,030	-	23,030
Share issue expenses	-	-	-	(156,281)	(156,281)
Balance at December 31, 2024	93,618,758	59,457,092	6,863,816	(25,409,143)	40,911,765

	Number of shares outstanding	Capital stock	Contributed surplus	Deficit	Total equity
		\$	\$	\$	\$
Balance at October 1, 2023	82,776,197	55,568,556	6,633,446	(22,420,938)	39,781,064
Loss and comprehensive loss	-	-	-	(386,469)	(386,469)
Private placement	666,666	300,000	-	-	300,000
Flow-through private placement	3,427,895	2,394,798	-	-	2,394,798
Less: premium	-	(1,026,852)	-	-	(1,026,852)
	3,427,895	1,367,946	-	-	1,367,946
Stock-based compensation	-	-	45,344	-	45,344
Share issue expenses	-	-	-	(181,210)	(181,210)
Balance at December 31, 2023	86,870,758	57,236,502	6,678,790	(22,988,617)	40,926,675

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

Midland Exploration Inc.
Consolidated Statements of Cash Flows
(Unaudited, in Canadian dollars)

	Three months ended December 31,	
	2024	2023
	\$	\$
Operating activities		
Loss	(697,568)	(386,469)
Adjustment for:		
Stock-based compensation	16,849	31,349
Depreciation	7,473	7,473
Impairment of exploration and evaluation assets	175,235	46,615
Variation – fair value of listed shares	2,714	26,082
Recovery of deferred income taxes	(10,287)	(88,793)
	(505,584)	(363,743)
Changes in non-cash working capital items		
Accounts receivable	151,277	90,343
Sales tax receivable	79,163	9,857
Prepaid expenses	32,189	33,447
Accounts payable and accrued liabilities	(81,142)	(634,689)
Advance received for exploration work	(50,272)	(73,467)
	131,215	(574,509)
	(374,369)	(938,252)
Financing activities		
Principal repayment – lease liabilities	(9,104)	(8,268)
Private placement (note 5)	200,000	300,000
Flow-through private placement (note 5)	2,449,200	2,394,798
Share issue expenses (note 5)	(156,281)	(181,210)
	2,483,815	2,505,320
Investing activities		
Additions to investments	(2,571,200)	(2,875,000)
Investments' maturity	2,655,000	2,500,000
Additions to exploration properties	(142,567)	(97,050)
Option payments on exploration properties	-	720,000
Payment received on disposal of exploration and evaluation assets	75,000	-
Advance paid for exploration expenses	-	-
Additions to exploration and evaluation expenses	(508,600)	(620,827)
Tax credits and mining rights received	21,510	7,441
	(470,857)	(365,436)
Net change in cash and cash equivalents	1,638,589	1,201,632
Cash and cash equivalents – beginning	1,590,510	2,453,793
Cash and cash equivalents – ending	3,229,099	3,655,425
Additional information		
Stock-based compensation included in exploration and evaluation expenses	6,181	13,995
Additions of exploration properties and exploration and evaluation expenses included in accounts payable and accrued liabilities	75,345	34,505
Tax credits receivable applied against exploration and evaluation expenses	92,437	95,613
Listed shares received for option payment	-	50,000
Interest received	203,293	171,016

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

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2024

(Unaudited, in Canadian dollars)

1. STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Midland Exploration Inc. (“the Corporation”), incorporated in Canada on October 2, 1995, and operating under the Business Corporations Act (Québec), is a company in the mining exploration business. The Corporation’s operations include the acquisition and exploration of mining properties. Its head office is located at 1, Place Ville Marie, suite 4000, Montreal, Quebec, H3B 4M4. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the MD ticker.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration properties. The recoverability of exploration and evaluation assets is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain the necessary financing to complete exploration and the profitable sale of the assets. The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although the Corporation has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standard”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the annual financial statements for the year ended September 30, 2024, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year. The Board of Directors has approved the Financial Statements on February 13, 2025.

3. INVESTMENTS

As at December 31, 2024, investments are composed of guaranteed investment certificates earning between 3.4% and 5.4% interest paid annually, maturing between May 27, 2025, and December 8, 2025, with a maturity value of \$3,725,081.

The balance on flow-through financings not spent according to the restrictions imposed by the December 3, 2024, financing represents \$2,429,956 as at December 31, 2024 and is included in investments.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2024

(Unaudited, in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

The following table disclose the acquisition costs of exploration properties by region:

Acquisition costs	As at Sept. 30, 2024	Net Additions	Impairment	As at Dec. 31, 2024
	\$	\$	\$	\$
Abitibi	977,367	56,148	(119,119)	914,396
Grenville	60,269	4,683	-	64,952
James Bay	771,795	65,482	-	837,277
Northern Quebec	450,801	14,034	-	464,835
	2,260,232	140,347	(119,119)	2,281,460

The following table disclose details of exploration and evaluation expenses by region:

Exploration and evaluation expenses	As at Sept. 30, 2024	Net Additions	Disposal	Tax credits	Impairment	As at Dec 31, 2024
	\$	\$	\$	\$	\$	\$
Abitibi	16,671,766	160,711	(75,000)	(55,350)	(56,116)	16,646,011
Grenville	143,197	-	-	-	-	143,197
James Bay	10,786,540	80,252	-	(28,405)	-	10,838,387
Northern Quebec	5,346,746	42,827	-	(8,682)	-	5,380,891
	32,948,249	283,790	(75,000)	(92,437)	(56,116)	33,008,486

4.1 Lac Esther

On October 30, 2024, the Corporation signed a sale and transfer agreement with O3 Mining Inc. ("O3") whereby O3 purchased the Lac Esther property in consideration of a cash payment of \$75,000 and a 2% net smelter return ("NSR") royalty; 50% of the NSR royalty can be bought for \$500,000. A \$126,705 impairment was recorded in the statement of comprehensive loss in relation to the sale of the property.

4.2 Tête-Nord

On November 18, 2024, Rio Tinto Exploration Canada Inc. notified the Corporation that it was terminating the option agreement signed on December 1, 2021, on the Tête-Nord property.

4.3 Mythril and Elrond

On October 15, 2024, Brunswick Exploration Inc. notified the Corporation that it was terminating the option agreement signed on November 22, 2022, on the Mythril and Elrond properties.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 2024

(Unaudited, in Canadian dollars)

5. EQUITY

5.1 Private placements

On December 3, 2024, the Corporation completed a private placement of 6,123,000 flow-through shares at \$0.40 per share for total gross proceeds of \$2,449,200. On that date, the Corporation's share closed at \$0.33 on the Exchange, therefore the residual value attributed to the benefit related to flow-through shares renunciation is \$0.33 for a total value of \$428,610, assigned to the liability related to the premium on flow-through shares.

In addition, the Corporation also completed on December 3, 2024, a private placement of 625,000 shares at a price of \$0.32 per share for total gross proceeds of \$200,000.

In connection with the private placements, the Corporation incurred \$156,281 share issue expense, of which \$103,980 was paid as finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$216,000 under the same terms as other investors.

6. SHARE-BASED COMPENSATION

The Corporation has a stock option plan (the "Plan"). The number of common shares granted is determined by the Board of Directors. On December 5, 2024, the Corporation amended its Plan to increase from 8,200,000 to 9,300,000 the number of shares issuable under the Plan.

The following table summarizes information about common share purchase options outstanding and exercisable as at December 31, 2024:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
420,000	420,000	0.60	August 13, 2025
485,000	485,000	1.10	August 11, 2026
50,000	50,000	1.13	November 23, 2026
530,000	530,000	1.14	February 21, 2027
100,000	100,000	1.04	May 10, 2027
550,000	550,000	0.89	February 15, 2028
545,000	545,000	1.03	February 18, 2029
605,000	605,000	0.72	February 13, 2030
510,000	510,000	0.82	February 11, 2031
80,000	80,000	0.88	March 18, 2031
80,000	80,000	0.75	September 8, 2031
705,000	705,000	0.54	February 24, 2032
760,000	760,000	0.54	February 9, 2033
840,000	420,000	0.39	February 15, 2034
6,260,000	5,840,000		

On February 13, 2025, 800,000 stock options were granted at an exercise price of \$0.33, pursuant to the Plan.