



Midland Exploration Inc.

Condensed Interim Consolidated Financial Statements

Three and six months ended March 31, 2025

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 March 31, 2025	As at September 30, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,303,769	1,590,510
Investments (note 3)	3,591,200	3,175,000
Accounts receivable	107,111	197,742
Sales tax receivable	62,494	140,974
Tax credits and mining rights receivable	99,826	70,911
Listed shares	15,223	15,481
Prepaid expenses	102,229	105,563
Total current assets	6,281,852	5,296,181
Non-current assets		
Investments (note 3)	-	500,000
Listed shares	118,950	205,700
Right-of-use assets	267,523	9,962
Exploration and evaluation assets (note 4)		
Exploration properties	2,268,979	2,260,232
Exploration and evaluation expenses	33,366,176	32,948,249
	35,635,155	35,208,481
Total non-current assets	36,021,628	35,924,143
Total assets	42,303,480	41,220,324
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	164,146	592,225
Advance received for exploration work	1,000,607	1,089,493
Liability related to the premium on flow-through share	353,223	-
Lease liabilities – current portion (note 5)	20,870	16,612
Total liabilities	1,538,846	1,698,330
Non-current liabilities		
Lease liabilities (note 5)	247,815	-
Total liabilities	1,786,661	1,786,661
Equity		
Capital stock	59,457,092	57,236,502
Contributed surplus	6,912,571	6,840,786
Deficit	(25,852,844)	(24,555,294)
Total equity	40,516,819	39,521,994
Total liabilities and equity	42,303,480	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 March 31		Six months ended March 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenues				
Project management fees	9,906	32,701	15,268	64,497
Operating Expenses				
Salaries	201,151	364,909	502,893	563,164
Stock-based compensation	34,838	39,474	51,687	70,823
Office and other expenses	82,158	80,070	123,778	173,510
Regulatory fees	21,874	20,311	35,201	32,423
Conferences and investors relations	116,442	91,238	224,607	188,176
Professional fees	43,290	57,242	108,116	138,111
Depreciation	5,305	7,473	12,778	14,946
General exploration	6,661	10,289	18,462	24,204
Impairment of exploration and evaluation assets (note 4)	102,339	1,314	277,574	47,929
Operating expenses	614,058	672,320	1,355,096	1,253,286
Other revenues (expenses)				
Interest income	66,648	58,916	97,421	159,752
Change in fair value – listed shares	31,625	22	28,911	(26,060)
Financing fees	(1,929)	(701)	(2,167)	(1,547)
	96,344	58,237	124,165	132,145
Loss before income taxes	(507,808)	(581,382)	(1,215,663)	(1,056,644)
Recovery of deferred income taxes	65,100	253,047	75,387	341,840
Loss and comprehensive loss	(442,708)	(328,335)	(1,140,276)	(714,804)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of basic and diluted outstanding shares	93,618,758	86,870,758	91,245,835	85,759,732

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

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

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, 2023	82,776,197	55,568,556	6,633,446	(22,420,938)	39,781,064
Loss and comprehensive loss	-	-	-	(714,804)	(714,804)
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	-	-	100,205	-	100,205
Share issue expenses	-	-	-	(181,210)	(181,210)
Balance at March 31, 2024	86,870,758	57,236,502	6,733,651	(23,316,952)	40,653,201

	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	-	-	-	(1,140,276)	(1,140,276)
Private placement (note 6)	625,000	200,000	-	-	200,000
Flow-through private placement (note 6)	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	-	-	71,785	-	71,785
Share issue expenses	-	-	-	(157,274)	(157,274)
Balance at March 31, 2025	93,618,758	59,457,092	6,912,571	(25,852,844)	40,516,819

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)

	Six months ended March 31,	
	2025	2024
	\$	\$
Operating activities		
Loss	(1,140,276)	(714,804)
Adjustment for:		
Stock-based compensation	51,687	70,823
Depreciation	12,778	14,946
Impairment of exploration and evaluation assets	277,574	47,929
Variation – fair value of listed shares	(28,911)	26,060
Recovery of deferred income taxes	(75,387)	(341,840)
	(902,535)	(896,886)
Changes in non-cash working capital items		
Accounts receivable	90,631	104,783
Sales tax receivable	78,480	41,553
Prepaid expenses	3,334	(2,913)
Accounts payable and accrued liabilities	(228,772)	(554,634)
Advance received for exploration work	(88,886)	(456,975)
	(145,213)	(868,186)
	(1,047,748)	(1,765,072)
Financing activities		
Principal repayment – lease liabilities	(18,266)	(16,757)
Private placement (note 6)	200,000	300,000
Flow-through private placement (note 6)	2,449,200	2,394,798
Share issue expenses (note 6)	(157,274)	(181,210)
	2,473,660	2,496,831
Investing activities		
Additions to investments	(2,571,200)	(2,875,000)
Investments' maturity	2,655,000	2,500,000
Proceeds from disposal of listed shares	115,919	-
Additions to exploration properties	(232,425)	(141,598)
Option payments on exploration properties	-	720,000
Payment received on disposal of exploration and evaluation assets	75,000	-
Additions to exploration and evaluation expenses	(817,735)	(975,302)
Tax credits and mining rights received	62,788	279,241
	(712,653)	(492,659)
Net change in cash and cash equivalents	713,259	239,100
Cash and cash equivalents – beginning	1,590,510	2,453,793
Cash and cash equivalents – ending	2,303,769	2,692,893
Additional information		
Right-of-use assets and lease liability	270,339	-
Stock-based compensation included in exploration and evaluation expenses	20,098	29,382
Additions of exploration properties and exploration and evaluation expenses included in accounts payable and accrued liabilities	87,739	187,082
Tax credits receivable applied against exploration and evaluation expenses	91,703	59,295
Listed shares received for option payment	-	50,000
Interest received	218,290	205,201

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

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three and six months ended March 31, 2025

(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 May 8, 2025.

3. INVESTMENTS

As at March 31, 2025, 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 \$2,084,499 as at March 31, 2025 and is included in investments.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three and six months ended March 31, 2025

(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 March 31, 2025
	\$	\$	\$	\$
Abitibi	977,367	43,383	(144,059)	876,691
Grenville	60,269	9,604	-	69,873
James Bay	771,795	92,425	(66,745)	797,475
Northern Quebec	450,801	84,793	(10,654)	524,940
	2,260,232	230,205	(221,458)	2,268,979

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 March 31, 2025
	\$	\$	\$	\$	\$	\$
Abitibi	16,671,766	306,103	(75,000)	(54,616)	(56,116)	16,792,137
Grenville	143,197	45,838	-	-	-	189,035
James Bay	10,786,540	163,397	-	(28,405)	-	10,921,532
Northern Quebec	5,346,746	125,408	-	(8,682)	-	5,463,472
	32,948,249	640,746	(75,000)	(91,703)	(56,116)	33,366,176

4.1 Lac Esther

On October 30, 2024, the Corporation signed a sale and transfer agreement with O3 Mining Inc. ("O3") (acquired by Agnico Eagle Mines Ltd in December 2024) 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 \$110,843 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.

5. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

On March 1, 2025, the Corporation extended its lease at Rosemère for 5 years, with one option to renew for 3 years. The annual lease payments are \$42,156 and will be increased annually by 3%. A right of use asset of \$270,339, and an equivalent long term lease liability were recorded as of March 31, 2025, using a 8.25% incremental borrowing rate and assuming that the renewal option would be exercised.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three and six months ended March 31, 2025

(Unaudited, in Canadian dollars)

6. EQUITY

6.1 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 \$157,274 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.

7. 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.

On February 13, 2025, the Corporation granted to its directors, officers and employees 800,000 options exercisable at \$0.33, valid for 10 years. Those options were granted at an exercise price higher than the closing market price of the Corporation's shares on the business day prior to the date of the issuance. The estimated fair value of \$0.21 per option amounts to a total stock-based compensation cost of \$168,000. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 50.5% expected volatility, 3.12% risk-free interest rate and 10 years options expected life.

A summary of changes in the Corporation's common share purchase options outstanding is presented below:

	Six months ended March 31, 2025	
	Number of options	Weighted average exercise price
		\$
Balance – beginning of period	6,260,000	0.75
Granted	800,000	0.33
Balance – end of period	7,060,000	0.70
Balance – end of period exercisable	5,980,000	0.77

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(Unaudited, in Canadian dollars)

The following table summarizes information about common share purchase options outstanding and exercisable as at March 31, 2025:

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	560,000	0.39	February 15, 2034
800,000	-	0.33	February 13, 2025
7,060,000	5,980,000		

8. SUBSEQUENT EVENTS

8.1 Exploration property – Willbob

On April 11, 2025, the Corporation signed an agreement with Les Ressources Tectonic inc. whereby will acquire the Kan project for a \$125,000 cash payment (\$40,000 upon signature (completed), \$40,000 on the first anniversary and \$45,000 on the second anniversary) and a 2% NSR royalty that can be bought back for a cash payment of \$1,500,000 for each 1% for a total amount of \$3,000,000.