



Midland Exploration Inc.

Consolidated Financial Statements

For the years ended September 30, 2025, and 2024



Independent auditor's report

To the Shareholders of Midland Exploration Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Midland Exploration Inc. and its subsidiary (together, the Corporation) as at September 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at September 30, 2025 and 2024;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2025. These matters

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were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of indicators of impairment of exploration and evaluation assets</p> <p><i>Refer to note 2 – Material accounting policies, note 3 – Critical accounting estimates and judgments and note 5 – Exploration and evaluation assets to the consolidated financial statements.</i></p> <p>The net book value of exploration and evaluation assets amounted to \$37,075,019 as at September 30, 2025.</p> <p>The carrying amount of each exploration and evaluation (E&E) asset is assessed for impairment by management when indicators of impairment exist. Determining whether to test for impairment of E&E assets requires management's judgment, among others, regarding the following: (i) the right to explore has expired or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; and (iii) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and management has decided to discontinue such activities in the specific area.</p> <p>The total impairment loss of the E&E assets recognized is \$1,072,954 for the year ended September 30, 2025. No reversal of impairment losses has been recognized for the reporting periods.</p> <p>We considered this a key audit matter due to (i) the significance of the E&E assets and (ii) the judgments made by management in its assessment of indicators of impairment related to E&E assets, which resulted in a high degree of subjectivity in</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> Assessed the judgment by management in determining indicators of impairment related to E&E assets, which included the following: <ul style="list-style-type: none"> Obtained for all claims, by reference to government registries, evidence to support (i) the right to explore in the specific area and (ii) the claims' expiration dates. Read Board minutes and obtained the approved budget to (i) evidence continued and planned substantive E&E expenditures, and to (ii) assess whether exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and management as a result has decided to discontinue such activities in the specific area.



Key audit matter	How our audit addressed the key audit matter
performing procedures related to these judgments applied by management.	
Other information	
<p>Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.</p> <p>Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.</p>	
Responsibilities of management and those charged with governance for the consolidated financial statements	
<p>Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the consolidated financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.</p> <p>Those charged with governance are responsible for overseeing the Corporation's financial reporting process.</p>	



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Corporation'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 Corporation'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 consolidated 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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
December 4, 2025

¹ CPA auditor, public accountancy permit No. A128042

Midland Exploration Inc.

Consolidated Statements of Financial Position

As at September 30, 2025, and 2024

(in Canadian dollars)

	As at September 30	
	2025	2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 4)	1,868,473	1,590,510
Investments (note 4)	6,671,200	3,175,000
Accounts receivable	147,691	197,742
Sales tax receivable	239,929	140,974
Tax credits and mining rights receivable	136,406	70,911
Listed shares	16,796	15,481
Prepaid expenses	112,344	105,563
Total current assets	9,192,839	5,296,181
Non-current assets		
Investments – non-current portion (note 4)	-	500,000
Listed shares	108,360	205,700
Right-of-use assets (note 6)	250,627	9,962
Advance paid for exploration work	159,142	-
Exploration and evaluation assets (note 5)		
Exploration properties	2,477,394	2,260,232
Exploration and evaluation expenses	34,597,625	32,948,249
	37,075,019	35,208,481
Total non-current assets	37,593,148	35,924,143
Total assets	46,785,987	41,220,324
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	725,171	592,225
Advance received for exploration work	207,702	1,089,493
Liability related to the premium on flow-through shares	1,064,900	-
Lease liabilities (note 6)	22,392	16,612
Total current liabilities	2,020,165	1,698,330
Non-current liabilities		
Lease liabilities – non-current portion	236,125	-
Total liabilities	2,256,290	1,698,330
Equity		
Capital stock	64,500,842	57,236,502
Contributed surplus	7,011,061	6,840,786
Deficit	(26,982,206)	(24,555,294)
Total equity	44,529,697	39,521,994
Total liabilities and equity	46,785,987	41,220,324

Subsequent events (note 13)

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

On behalf of the Board of Directors

(s) Jean-Pierre Janson

Jean-Pierre Janson

Director

(s) Gino Roger

Gino Roger

President, Director

Midland Exploration Inc.

Consolidated Statements of Comprehensive Loss

For the years ended September 30, 2025, and 2024

(in Canadian dollars)

	Fiscal 25	Fiscal 24
	\$	\$
Revenues		
Project management fees	164,488	194,949
Operating Expenses		
Salaries (note 8)	869,187	912,811
Stock-based compensation (note 8)	121,481	148,618
Office and other expenses	250,115	276,179
Regulatory fees	46,244	43,101
Conferences and investor relations	331,497	287,738
Professional fees	275,492	332,936
Depreciation	29,674	29,892
General exploration	22,007	101,406
Impairment of exploration and evaluation assets (note 5)	1,072,954	1,349,257
	3,018,651	3,481,938
Other revenues (expenses)		
Interest income	233,882	311,674
Change in fair value - listed shares	80,402	(2,191)
Financing fees	(13,077)	(2,492)
	301,207	306,991
Loss before income taxes	(2,552,956)	(2,979,998)
Recovery of deferred income taxes (note 10)	428,710	1,026,852
Loss and comprehensive loss	(2,124,246)	(1,953,146)
Basic and diluted loss per share (note 9)	(0.02)	(0.02)

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

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

Midland Exploration Inc.

Consolidated Statements of Changes in Equity

For the years ended September 30, 2025, and 2024

(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	-	-	-	(1,953,146)	(1,953,146)
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	-	-	207,340	-	207,340
Share issue expenses	-	-	-	(181,210)	(181,210)
Balance as at Sept. 30, 2024	86,870,758	57,236,502	6,840,786	(24,555,294)	39,521,994
	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	-	-	-	(2,124,246)	(2,124,246)
Private placement	3,806,819	1,250,000	-	-	1,250,000
Flow-through private placement	16,773,000	7,507,950	-	-	7,507,950
Less: premium	-	(1,493,610)	-	-	(1,493,610)
	16,773,000	6,014,340	-	-	6,014,340
Stock-based compensation	-	-	170,275	-	170,275
Share issue expenses	-	-	-	(302,666)	(302,666)
Balance as at Sept. 30, 2025	107,450,577	64,500,842	7,011,061	(26,982,206)	44,529,697

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

Midland Exploration Inc.

Consolidated Statements of Cash Flows

For the years ended September 30, 2025 and 2024

(in Canadian dollars)

	Fiscal 25	Fiscal 24
	\$	\$
Cash flow relating to:		
Operating activities		
Loss	(2,124,246)	(1,953,146)
Adjustment for:		
Stock-based compensation (note 8)	121,481	148,618
Depreciation	29,674	29,892
Impairment of exploration and evaluation assets (note 3)	1,072,954	1,349,257
Change in fair value - listed shares	(80,402)	2,191
Recovery of deferred income taxes (note 10)	(428,710)	(1,026,852)
	(1,409,249)	(1,450,040)
Changes in non-cash working capital items		
Accounts receivable	50,051	27,205
Sales tax receivable	(98,955)	(28,665)
Prepaid expenses	(6,781)	(3,410)
Accounts payable and accrued liabilities	11,078	(511,918)
Advance received for exploration work	(881,791)	369,497
	(926,398)	(147,291)
	(2,335,647)	(1,597,331)
Financing activities		
Principal repayment – lease liabilities	(28,434)	(34,496)
Private placement	1,250,000	300,000
Flow-through private placement	7,507,950	2,394,798
Share issue expenses	(302,666)	(181,210)
	8,426,850	2,479,092
Investing activities		
Additions to investments	(6,571,200)	(2,875,000)
Investments' maturity	3,575,000	2,500,000
Proceeds from disposal of listed shares	176,427	102,759
Additions to exploration properties	(558,964)	(418,300)
Option payments received on exploration properties	162,500	1,130,000
Proceeds from disposal of exploration properties	75,000	-
Advance paid for exploration expenses	(159,142)	-
Additions to exploration and evaluation expenses	(2,575,649)	(2,506,179)
Tax credits and mining rights received	62,788	321,676
	(5,813,240)	(1,745,044)
Net change in cash and cash equivalents	277,963	(863,283)
Cash and cash equivalents – beginning	1,590,510	2,453,793
Cash and cash equivalents – ending	1,868,473	1,590,510

For additional disclosure see note 12.

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

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

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. MATERIAL ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying consolidated financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standard"). The accounting policies, methods of computation and presentation applied to these Financial Statements are consistent with those of the previous financial year. These Financial Statements were approved and authorized for issue by the Board of Directors on December 4, 2025.

2.2 Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for certain assets at fair value.

2.3 Consolidation

The Financial Statements include the accounts of the Corporation and those of its wholly-owned subsidiary, Midland Base Metals Inc. ("MBM"). The Corporation controls an entity when the Corporation is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns, through its power over the entity. MBM is fully consolidated from the date on which control is obtained by the Corporation and is deconsolidated from the date that control ceases. All intercompany accounts and transactions are eliminated.

The subsidiary's financial information is prepared for the same financial information presentation period as the Corporation and as per the same accounting policies.

2.4 Functional and presentation currency

The Financial Statements are presented in Canadian dollars, which is the Corporation and its subsidiary's functional currency.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

2.5 Jointly controlled assets and exploration activities

A jointly controlled asset involves joint control and offers joint ownership by the Corporation and other venturers of assets contributed to or acquired for the purpose of the joint controlled operations, without the formation of a corporation, partnership or other entity.

Where the Corporation's activities are conducted through jointly controlled assets and exploration activities, the Financial Statements include the Corporation's share in the assets and the liabilities from the joint operations as well as when applicable, the Corporation's share in the income and the expenses.

2.6 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

a) Financial assets

Financial assets are derecognized when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and all substantial risks and rewards have been transferred.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired.

Fair value through profit and loss listed shares:

Listed shares at fair value through profit and loss are equity investments recognized initially at fair value and subsequently measured at fair value. Changes in fair value are recorded in the consolidated statement of loss and comprehensive loss.

Amortized cost:

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method less a provision for expected losses. The Corporation's cash, investments and accounts receivable are classified within this category.

b) Financial liabilities

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial liabilities measured at amortized cost

Accounts payable, accrued liabilities and advances received for exploration work are initially measured at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

c) Impairment of financial assets

Amortized cost:

The expected loss is the difference between the amortized cost of the financial asset and the present value of the expected future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Provisions for expected losses are adjusted upwards or downwards in subsequent periods if the amount of the expected loss increases or decreases. For trade receivables, the Corporation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term liquid investments with original maturities of three months or less or cashable at any time without penalties.

2.8 Tax credits and mining rights receivable

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration and evaluation expenses incurred. As management intends to realize the carrying value of its assets and settle the carrying value of its liabilities through the sale of its exploration and evaluation assets, the related deferred tax has been calculated accordingly.

2.9 Exploration and evaluation assets

Exploration and evaluation ("E&E") assets are comprised of acquisition costs of mining rights for each exploration properties and E&E expenses. All costs incurred prior to obtaining the mining rights to undertake E&E activities on an area of interest are expensed as incurred.

E&E assets include mining rights in exploration properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Individual mining rights are regrouped in area of interest and are disclosed as an exploration property.

Mining rights are recorded at acquisition cost less accumulated impairment losses for each area of interest.

E&E expenses for each separate area of interest are capitalized (net from E&E expenses recovered from partners) and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition.

E&E expenses include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

E&E expenses include overhead expenses directly attributable to the related activities.

Cash flows attributable to costs capitalized to E&E assets are classified as investing activities in the consolidated statement of cash flows.

From time to time, the Corporation may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded. Option payments are recorded when they are made or received. Proceeds on the sale of exploration properties are applied in reduction of the acquisition costs of the related mining rights, then in reduction of the E&E expenses for the related area of interest and any residual is recorded in the consolidated statement of comprehensive loss unless there is contractual work required by the Corporation in which case the residual gain is deferred and will be applied against the contractual disbursements when done.

Funds received from partners on certain properties where the Corporation is the operator in order to perform exploration work as per agreements, are accounted for in the consolidated statement of financial position as advances received for upcoming exploration work. These advances are reduced gradually when the exploration work is performed. The project management fees received when the Corporation is the operator are recorded in the consolidated statement of comprehensive loss when the E&E expenses are charged back to the partner. When the partner is the operator, the management fees are recorded in the consolidated statement of financial position as E&E expenses.

2.10 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed for impairment each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The level identified by the Corporation for the purposes of testing exploration and evaluation assets and mining properties for impairment corresponds to each property.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit ("group of units") on a pro rata basis.

2.11 Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Temporary differences are not provided for if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 financial position reporting 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 income tax assets and liabilities are presented as noncurrent and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Equity

Capital stock represents the amount received on the issue of shares. Warrants represent the allocation of the amount received for units issued as well as the charge recorded for the broker warrants relating to financing.

Contributed surplus includes charges related to stock options until they are exercised and the warrants that are expired and not exercised. Deficit includes all current and prior period retained profits or losses and share issue expenses.

Proceeds from unit placements are allocated between shares and warrants issued on a pro-rata basis of their value within the unit using the Black-Scholes pricing model.

2.13 Flow-through shares

The Corporation finances some E&E expenses through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference between the amount recorded as common shares and the amount paid by the investors for the shares (the "premium"), measured with the residual value method, is accounted for as a flow-through share premium, which is reversed to income as recovery of deferred income taxes when the eligible expenses are incurred. The Corporation recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred.

2.14 Stock-based compensation

The Corporation operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Corporation's plan does not feature any options for a cash settlement.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Corporation. The expense is recorded over the vesting period for employees and over the period covered by the contract for non-employees.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the consolidated statement of comprehensive loss or capitalized as E&E expenses on the consolidated statement of financial position, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as capital stock. The accumulated charges related to the share options recorded in contributed surplus are then also transferred to capital stock.

2.15 Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the weighted average number of shares outstanding during the year for the calculation of the dilutive effect of warrants and stock options unless they have an anti-dilutive effect.

2.16 Segment disclosures

The Corporation currently operates in a single segment – the acquisition, exploration and evaluation of exploration properties. All the Corporation's activities are conducted in Canada.

2.17 Changes in accounting standards

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The new Accounting Standard introduces significant changes to the structure of income statements and introduces new principles for aggregation and disaggregation of information. The impact of adoption of the amendments has not yet been determined by the Corporation.

(iii) Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instrument Disclosures

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments to IFRS 9 and IFRS 7 are effective for annual reporting beginning on or after January 1, 2026, with earlier application permitted. The impact of adoption of the amendments has not yet been determined by the Corporation.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

When preparing the Financial Statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results could differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

3.1 Impairment of E&E assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of E&E assets requires management's judgment, among others, regarding the following: the right to explore has expired or will expire in the near future and is not expected to be renewed; substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. When some right to explore in an area of interest has expired or will expire in the near future, the acquisition costs of this right are impaired on a prorate basis.

The total impairment loss of the E&E assets recognized is \$1,072,954 for the year ended September 30, 2025 ("Fiscal 25") (\$1,349,257 for the year ended September 30, 2024 ("Fiscal 24")). No reversal of impairment losses has been recognized for the reporting periods.

3.2 Deferred taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. Judgment is also involved in the determination of the expected manner of realisation or settlement of the carrying amount of the Corporation's assets and liabilities which is expected to be through the sale of the Corporation's assets.

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As at September 30, 2025, cash and cash equivalents and also investments include cash for \$368,473 and guaranteed investment certificates ("GIC") with interest payable annually, earning between 2.5% and 5.25% interest, maturing between November 19, 2025, and July 30, 2026, with a maturity value of \$8,444,911. The balance on flow-through financings not spent according to the restrictions imposed by the July 25, 2025, financing represents \$5,058,037 as at September 30, 2025, and is included in investments.

As at September 30, 2024, cash and cash equivalents and also investments include cash for \$555,510 and GICs with interest payable annually, earning between 4.2% and 5.56% interest, maturing between November 18, 2024, and December 5, 2025, with a maturity value of \$4,939,693.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

5. EXPLORATION AND EVALUATION ASSETS

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

Acquisition costs	As at Sept. 30, 2024	Net Additions	Option payments	Impairment	As at Sept. 30, 2025
	\$	\$	\$	\$	\$
Abitibi	977,367	96,598	-	(185,859)	888,106
Grenville	60,269	37,006	-	(63,237)	34,038
James Bay	771,795	215,585	(2,156)	(79,938)	905,286
Northern Quebec	450,801	209,817	-	(10,654)	649,964
	2,260,232	559,006	(2,156)	(339,688)	2,477,394

Acquisition costs	As at Sept. 30, 2023	Net Additions	Option payments	Impairment	As at Sept. 30, 2024
	\$	\$	\$	\$	\$
Abitibi	1,062,927	98,412	(85,000)	(98,972)	977,367
Grenville	33,689	58,494	(18,648)	(13,266)	60,269
James Bay	1,336,277	194,027	(702,852)	(55,657)	771,795
Northern Quebec	450,480	77,659	-	(77,338)	450,801
	2,883,373	428,592	(806,500)	(245,233)	2,260,232

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

Exploration and evaluation expenses	As at Sept. 30, 2024	Net Additions	Option payments and disposal	Tax credits	Impairment	As at Sept. 30, 2025
	\$	\$	\$	\$	\$	\$
Abitibi	16,671,766	730,270	(75,000)	(54,616)	(542,187)	16,730,233
Grenville	143,197	149,932	-	-	(173,732)	119,397
James Bay	10,786,540	1,193,682	(160,344)	(61,132)	(17,347)	11,741,399
Northern Quebec	5,346,746	672,385	-	(12,535)	-	6,006,596
	32,948,249	2,746,269	(235,344)	(128,283)	(733,266)	34,597,625

Exploration and evaluation expenses	As at Sept. 30, 2023	Net Additions	Option payments	Tax credits	Impairment	As at Sept. 30, 2024
	\$	\$	\$	\$	\$	\$
Abitibi	15,966,855	1,012,449	(250,000)	(57,538)	-	16,671,766
Grenville	1,004,634	291,164	(81,352)	(2,438)	(1,068,811)	143,197
James Bay	10,456,849	575,095	(167,148)	(43,043)	(35,213)	10,786,540
Northern Quebec	4,688,531	669,143	-	(10,928)	-	5,346,746
	32,116,869	2,547,851	(498,500)	(113,947)	(1,104,024)	32,948,249

In Fiscal 25, the Corporation impaired partially some projects for claims that were dropped for \$212,482 (\$176,310 in Fiscal 24) and wrote off projects (or some projects included in these properties) for \$860,472 (\$1,172,947 in Fiscal 24) since no exploration program was planned for the near future and/or all claims were dropped.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

ABITIBI

5.1 Casault

On June 16, 2020, the Corporation signed an option agreement with Wallbridge Mining Company Limited ("Wallbridge"), as amended subsequently, whereby Wallbridge may earn a 50% interest in the Casault project in consideration of the following:

	Cash payments	Exploration work
	\$	\$
Upon signature – completed	100,000	-
On or before June 30, 2021 - completed	110,000	750,000
On or before June 30, 2022 – completed	110,000	1,000,000
On or before June 30, 2023 – completed	130,000	-
On or before December 31, 2023 – completed	-	1,250,000
On or before June 30, 2024 – completed	150,000	-
On or before December 31, 2026	-	2,000,000
Total	600,000	5,000,000

After exercising this first option to earn a 50% interest, Wallbridge may increase its interest to 65% (the second option) over a period of 2 years in consideration of exploration expenditures or cash payment totalling \$6,000,000. Wallbridge is the operator.

Some claims of the Casault project are subject to a 1% net smelter return ("NSR") royalty; the Corporation may, at any time, buy back the royalty, in all or in part, by making a cash payment of \$1,000,000 per tranche of 0.5% NSR.

5.2 Heva

The Corporation owns the Heva project and some claims are subject to a 2% NSR royalty, half of which can be bought back for a payment of \$1,000,000.

5.3 Jouvex

Some claims of the Jouvex project are subject to a 1% NSR royalty that can be bought back by making a cash payment of \$1,000,000 per tranche of 0.5% NSR. Other claims of the project are subject to a 1% NSR royalty that can be bought back by making a cash payment of \$1,000,000 per tranche of 0.5% royalty.

5.4 La Peltrie

On July 9, 2020, the Corporation signed an option agreement with Probe on the La Peltrie project. On September 6, 2024, Probe confirmed its exercise of the option to earn 50% interest in the La Peltrie project and confirmed its renunciation of the right to exercise the second option to acquire an additional 15% interest in the project. Probe is the operator of the joint venture. Probe acquired its 50% in the project in consideration of \$400,000 in cash or shares and the completion of \$3,500,000 exploration expenditures.

Some claims of the La Peltrie project are subject to a 1% Gross Metal royalty. Another claim is subject to a 1.5% NSR royalty that can be bought back by making a cash payment of \$750,000 per tranche of 0.75% royalty.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

5.5 Lac Esther

On October 30, 2024, the Corporation signed a sale and transfer agreement with O3 Mining Inc. ("O3") (acquired by Agnico Eagle Mines Limited ("Agnico Eagle") in December 2024) whereby O3 purchased the Lac Esther project in consideration of a cash payment of \$75,000 and a 2% NSR royalty; 50% of the NSR royalty can be bought for \$500,000.

5.6 Laflamme

The Corporation holds 83.3% of the Laflamme project.

5.7 Maritime-Cadillac

As per the agreement signed in June 2009 and amended in November 2012 and May 2013, Agnico Eagle and the Corporation are in a joint venture and future work is shared 51% Agnico Eagle - 49% the Corporation. The project is subject to a 2% NSR royalty of which half can be bought back for a payment of \$1,000,000.

5.8 Nantel-Fenelon

On July 29, 2020, the Corporation signed a joint venture agreement with Probe Metals Inc. ("Probe") over the Gaudet and Samson Northwest projects from the Corporation as well as the Nantel-Fenelon project of Probe. Probe is the operator. Some claims of the Nantel-Fenelon project are subject to a 1% NSR royalty.

5.9 Patris

The Corporation holds the Patris project and some claims are subject to NSR royalties varying from 1% to 2% that can be bought back in tranches for an aggregate of \$7,000,000.

On May 11, 2023, the Corporation signed a definitive option agreement with a wholly owned indirect subsidiary of Barrick Gold Corp. ("Barrick") whereby Barrick could have acquired a 75% interest in the Patris project in consideration for cash payments totaling \$1,017,500 (\$111,000 completed) and exploration work totaling \$16,575,000 (\$5,551,305 completed) over an eight-year period. On May 9, 2025, Barrick notified the Corporation that it was terminating the option agreement signed on May 11, 2023, on the Patris project.

GRENVILLE

5.10 Tete-Nord

The Corporation assembled the Tete-Nord project through map staking and acquisition. Some claims are subject to 2% NSR royalties that can be bought back in tranches for an aggregate of \$9,000,000.

On December 1, 2021, and as amended, the Corporation signed an option agreement with Rio Tinto Exploration Canada Inc. ("RTEC") for its Tete-Nord project. Under this agreement, RTEC could have earned an initial 50% interest in the Tete-Nord project over a period of four years, by fulfilling the following conditions: cash payments of \$500,000 (\$400,000 completed) and exploration work of \$4,000,000 (completed). On November 18, 2024, RTEC notified the Corporation that it was terminating the option agreement.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

5.11 Weedon

After reviewing the data and the entire project, the Corporation decided in May 2024 to drop the Weedon project and wrote it off for a total of \$1,081,394 (\$12,583 property cost and \$1,068,811 exploration expenses), representing a recoverable value of \$nil.

JAMES BAY

5.12 Eleonore

On June 13, 2016, a joint-venture agreement (50%-50%) was signed and is now held by La Pulga Mining Corp. ("La Pulga") whereby La Pulga and the Corporation cooperate and combine their efforts to explore the Eleonore project. The project is located 12 kilometres southeast and northwest of Dhillmar Eleonore Inc. deposit. La Pulga is the operator. Each partner obtained a 0.5% NSR royalty as a mutual consideration for the constitution of the joint venture.

5.13 BJ Lithium

On June 13, 2023, the Corporation signed an option agreement with RTEC, amended on April 22, 2024, for 11 lithium projects in the James Bay region, including Corvette, Mythrill-East, Chisaayuu, Galinee, Moria, Shire, Komo, Warp, Sulu, Picard and Wookie. On November 14, 2025, RTEC notified the Corporation of its intention to focus on the Galinee project and exclude from the option agreement the other 10 lithium projects.

Under the option agreement, RTEC may acquire an initial 50% interest (the first option) in the Galinee project over a period of 5 years, subject to the following conditions:

	Cash payments	Exploration work
	\$	\$
Initial payment (completed on October 3, 2023)	500,000	-
On or before June 6, 2024 (completed)	100,000	-
On or before August 24, 2024 (completed)	100,000	-
On or before August 24, 2025 (completed)	162,500	-
On or before August 24, 2026	162,500	-
On or before August 24, 2027	162,500	-
On or before August 24, 2028	162,500	-
On or before August 24, 2028 (completed)	-	16,000,000
Total	1,350,000	16,000,000

Exploration expenditures totalling \$16,000,000 include a firm commitment to spend not less than \$2,000,000 in the first 18 months.

After acquiring an initial 50% interest, RTEC will have the option to increase its interest in the Galinee project to 70% (the second option) over a period of five years following the exercise of the first option, subject to completing exploration expenditures totalling an additional \$54,000,000 (for a total of \$70,000,000 under the option agreement).

If RTEC acquires an interest in the Galinee project, the parties will form a joint venture and contribute on a pro-rata based on its interest. Dilution below a 10% interest results in conversion of the interest to a 2% NSR royalty with the right to repurchase 50% of the NSR royalty for a payment of \$2,000,000.

RTEC is the project operator during the first and second option of the agreement.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

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5.14 Lasalle

On January 12, 2023, and as amended October 26, 2023, the Corporation signed an option agreement with 9481-6337 Québec Inc., a wholly owned subsidiary of Cosmos Exploration Ltd (“Cosmos”) whereby it could have earned a 50% interest in the Lasalle project by completing the following commitments: cash payments of \$90,000 (completed) and exploration work of \$500,000. Cosmos did not meet the September 15, 2024, exploration work commitment and opted not to continue the option.

5.15 Mythril and Elrond

On November 22, 2022, the Corporation signed an option agreement with Brunswick Exploration Inc. (“Brunswick”) whereby Brunswick had the option to acquire exploration rights for critical minerals including lithium (excluding copper, nickel, zinc, lead, gold, silver, platinum and palladium) on the Mythril and Elrond projects. Under this agreement, Brunswick could have acquired an initial 50% interest in the projects over a three-year period, at the following conditions: payment in cash of \$145,000 (\$75,000 completed), payment in shares \$355,000 (\$75,000 completed) and exploration work of \$1,500,000. On October 15, 2024, Brunswick notified the Corporation that it was terminating the option agreement.

5.16 Royalties held by Altius Resources Inc. (“Altius”)

Altius holds a 1% NSR on the Elrond, Helms Deep, Moria, Shire, Mythril and Fangorn projects.

NORTHERN QUEBEC

5.17 Alliance Ni

On August 20, 2020, the Corporation signed an agreement with and Rio Algom Limited, a wholly owned subsidiary of BHP Group plc (“BHP”), for a new strategic alliance (“Alliance Ni”) for exploration on nickel projects within the Nunavik territory, Quebec.

During the first phase of the Alliance Ni, BHP will fund at 100% up to \$1,400,000 on an annual basis for a minimum of two years. Subsequently, amendments were signed which provide for an extension of phase I up to February 28, 2026 with an additional annual funding of \$1,400,000 and a further \$3,400,000. The Corporation is acting as operator. BHP may propose additional exploration work for up to \$700,000 before advancing an identified project to the second phase.

If a project is designated, the Corporation will act as operator during this second phase subject to BHP’s right to become the operator of any designated project. For each designated project, the testing phase will last up to four years, with a total budget of up to \$4,000,000 with a minimum of \$700,000 to be spent during the first year. During this phase, BHP and the Corporation will fund 75% and 25%, respectively, for approved work programs. In addition, for each designated project, BHP will pay to the Corporation a designated project fee, structured as follows: \$250,000 on or before the first anniversary, \$250,000 on or before the second anniversary and \$500,000 on or before the third anniversary of the testing phase, for a maximum of \$1,000,000 per designated project.

BHP has the right to cease contributing its share of the funding of a designated project in which case the Corporation would have the right to retain a 100% interest of the designated project and BHP would receive a 1% NSR royalty. The Corporation would have a right to buy-back such royalty for a one-time cash payment of \$1,500,000. Total royalty payments would be capped at \$3,000,000 per designated project.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

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BHP may decide to advance any designated project to the third phase as a joint venture project ("JV Project") with initial participating interests being 70% BHP and 30% the Corporation. BHP would be the operator for all JV Projects. For each JV Project, BHP will pay to the Corporation a joint venture success fee of \$200,000 after the formation of the joint venture.

If a party's participating interest in the joint venture is diluted below 10%, such interest would be converted into a 1.5% NSR royalty on the JV Project. The non-diluted party would have a right to buy-back such royalty for a one-time cash payment of \$2,500,000. Total royalty payments would be capped at \$5,000,000 per JV Project.

5.18 Alliance Fosse

On February 18, 2021, the Corporation signed a strategic alliance with SOQUEM, as amended subsequently, to jointly explore the Labrador Trough. The Corporation will be the project operator in charge of exploration work during the targeting and field reconnaissance phase. On January 16, 2023, SOQUEM and Midland signed a joint venture agreement on the designated project Nachicapau.

5.19 Soissons

On July 27, 2018, the Corporation signed a partnership agreement (50%-50%) with the Nunavik Mineral Exploration fund ("NMEF"), to explore an area of the Soissons project. The NMEF is the operator of the partnership. Some claims are subject to 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.

5.20 Willbob

The Corporation owns the Willbob project and some claims are subject to the following royalties:

- 2% NSR royalty
- 2% NSR royalty of which 1% can be bought back for a payment of \$1,000,000.

On April 11, 2025, the Corporation signed an agreement with Les Ressources Tectonic inc. to acquire the Kan project for a \$125,000 cash payment (\$40,000 paid upon signature (completed), \$40,000 payable on the first anniversary and \$45,000 payable 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.

6. 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.

7. EQUITY

7.1 Capital stock authorized

Unlimited number of common shares without par value, voting and participating.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2025, and 2024

7.2 Private placements

a) November 2023

On November 16, 2023, the Corporation completed private placements of 666,666 shares at \$0.45 per share for total gross proceeds of \$300,000.

On November 16 and 30, 2023, the Corporation completed private placements of 2,761,228 flow-through shares at \$0.65 per share for total gross proceeds of \$1,794,798. On those dates, the Corporation's share closed at \$0.39 and \$0.43 respectively on the Exchange, therefore the residual values attributed to the benefit related to flow-through shares renunciation are \$0.26 and \$0.22 for a total value of \$713,519, assigned to the liability related to the premium on flow-through shares.

In addition, on November 30, 2023, the Corporation completed, with an originator of flow-through donation financing, a private placement of 666,667 flow-through shares at \$0.90 per share for total gross proceeds of \$600,000. On that date, the residual value attributed to the benefit related to flow-through shares renunciation is \$0.47 for a total value of \$313,333 assigned to the liability related to the premium on flow-through shares.

In connection with the private placements, the Corporation incurred \$181,210 share issue expense, of which \$77,809 was paid as finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$174,850 under the same terms as other investors.

b) December 2024

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 \$0.07 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.

c) July 2025

On July 25, 2025, the Corporation completed a private placement of 10,650,000 flow-through shares at \$0.475 per share for total gross proceeds of \$5,058,750. On that date, the Corporation's share closed at \$0.375 on the Exchange, therefore the residual value attributed to the benefit related to flow-through shares renunciation is \$0.10 for a total value of \$1,065,000, assigned to the liability related to the premium on flow-through shares. In connection with this private placement, the Corporation entered into an investor rights agreement with Centerra Gold Inc. ("Centerra"), under which, subject to certain conditions, Centerra was granted certain rights, including the right to participate in future share issuances in order to maintain its percentage of share ownership in the Corporation.

In addition, the Corporation completed a private placement of 3,181,819 shares at a price of \$0.33 per share for total gross proceeds of \$1,050,000.

In connection with the private placements, the Corporation incurred \$145,392 share issue expense.

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7.3 Policies and processes for managing capital

The Corporation's objectives when managing capital are to maximise shareholders value, maintain an optimal share capital structure to reduce capital cost, safeguard its ability to continue its operations as well as its acquisition and exploration programs. As needed, the Corporation raises funds in the capital markets. The Corporation does not use long term debt since it does not generate operating revenues. There is no dividend policy. The Corporation does not have any externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject unless the Corporation closes a flow-through private placement in which case the funds are reserved in use for exploration expenses.

8. EMPLOYEE REMUNERATION

8.1 Salaries

	Fiscal 25	Fiscal 24
	\$	\$
Salaries and bonuses	1,414,842	1,398,336
Director fees	113,000	113,000
Benefits	121,024	121,018
	1,648,866	1,632,354
Less: salaries and benefits capitalized in E&E assets	(779,679)	(719,543)
Salaries disclosed on the consolidated statement of comprehensive loss	869,187	912,811

8.2 Stock-based compensation

	Fiscal 25	Fiscal 24
	\$	\$
Stock-based compensation	170,275	207,340
Less: stock-based compensation capitalized in the E&E assets	(48,794)	(58,722)
Stock-based compensation disclosed on the consolidated statement of comprehensive loss	121,481	148,618

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 stock option plan (the "Plan") to increase from 8,200,000 to 9,300,000 the number of shares issuable under the Plan, to provide for the requirement to obtain disinterested shareholders' approval to extend the term of options granted to insiders, eliminate the cashless exercise feature and provide that any adjustment to security-based compensation awarded or issued under the Plan, other than in connection with a stock consolidation or a stock split, is subject to the prior consent of the Exchange. The exercise price of any option granted under the plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the closing price on the day preceding the grant. The term of the option will not exceed ten years from the date of grant. The options normally vest 1/6 per 3 months from the grant date, or otherwise as determined by the Board of Directors.

On February 15, 2024, the Corporation granted to its directors, officers and employees 840,000 options exercisable at \$0.39, valid for 10 years. Those options were granted at an exercise price equal to 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 \$176,400. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 54.5% expected volatility, 3.52% risk-free interest rate and 6 years options expected life.

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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.

This expected life was estimated by benchmarking comparable situations for companies that are similar to the Corporation. The expected volatility was determined by calculating the historical volatility of the Corporation's share price back from the date of grant and for a period corresponding to the expected life of the options.

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

	Fiscal 25		Fiscal 24	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – Beginning of year	6,260,000	0.75	6,000,000	0.81
Granted	800,000	0.33	840,000	0.39
Expired	(420,000)	0.60	(580,000)	0.85
Balance – End of year	6,640,000	0.71	6,260,000	0.75
Balance – End of year exercisable	6,106,668	0.74	5,700,000	0.79

The following table summarizes information about common share purchase options outstanding and exercisable as at September 30, 2025:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
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	840,000	0.39	February 15, 2034
800,000	266,668	0.33	February 13, 2035
6,640,000	6,106,668		

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8.3 Compensation to key management

The Corporation's key management personnel includes the president and the chief financial officer as well as members of the board of directors. Key management remuneration is as follows:

	Fiscal 25	Fiscal 24
	\$	\$
Short-term benefits		
Salaries including bonuses and benefits	537,935	633,721
Professional fees	95,432	100,854
Professional fees recorded in share issue expenses	12,962	10,584
Salaries including bonuses and benefits capitalized in E&E	-	3,990
Long-term benefits		
Stock-based compensation	91,043	110,854
Total compensation	737,372	860,003

The Corporation has employment and consulting agreements with members of senior management which, among other things, provided that in the event of a termination without cause or of a change of control, a compensation equivalent to between 18 to 24 months of salary or consulting fees will be paid for a total of \$884,693.

8.4 Related party transactions

In addition to the amounts listed above in the compensation to key management (note 8.3 and elsewhere in the Financial Statements) following are the related party transactions.

In the normal course of operations:

- A firm in which a director is a partner charged professional fees amounting to \$69,987 up to the end of his Director mandate in February 2024 of which \$20,879 was expensed and \$49,108 was recorded as share issue expenses;
- A company controlled by an officer charged professional fees of \$48,068 (\$62,412 in Fiscal 24) for her staff; and
- As at September 30, 2025, the balance due to the related parties amounted to \$5,588 (\$9,986 in September 30, 2024).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive.

	Fiscal 25	Fiscal 24
Loss	\$(2,124,246)	\$(1,953,146)
Weighted average number of basic and diluted outstanding shares	94,974,538	86,315,245
Basic and diluted net loss per share	\$(0.02)	\$(0.02)

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10. INCOME TAXES

The income tax expense is made up of the following component:

	Fiscal 25	Fiscal 24
	\$	\$
Deferred income taxes	-	-
Premium on flow-through share issuance	(428,710)	(1,026,852)
Recovery of deferred income taxes	(428,710)	(1,026,852)

The provision for income taxes presented in the Financial Statements is different from what would have resulted from applying the combined Canadian Statutory tax rate as a result of the following:

	Fiscal 25	Fiscal 24
	\$	\$
Loss before income taxes	(2,124,246)	(2,979,998)
Combined federal and provincial income tax at 26.50% (26.50% in 2024)	(562,925)	(789,700)
Non-deductible expenses	32,200	39,400
Tax effect of renounced flow-through share expenditures	649,200	634,600
Amortization of flow-through share premiums	(428,710)	(1,026,852)
Unrecognized temporary differences	(82,700)	107,137
Other elements	(35,775)	8,563
Recovery of deferred income taxes	(428,710)	(1,026,852)

The ability to realize the tax benefits is dependent upon a number of factors, including the sale of properties. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recognized. Accordingly, some deferred tax assets have not been recognized; these deferred tax assets not recognized amount to \$128,000 (\$118,000 as of September 30, 2024).

Significant components of the Corporation's deferred income tax assets and liabilities are as follows:

	As of September 30, 2025	As of September 30, 2024
	\$	\$
Deferred income tax assets		
Non-capital losses	6,055,000	5,649,000
Donations	16,000	19,000
Share and warrant issue expenses	122,000	93,000
Lease liabilities	69,000	14,000
Total deferred income tax assets	6,262,000	5,775,000
Deferred income tax liabilities		
E&E assets	6,052,000	5,647,000
Unrealized gain (loss) on listed shares	1,000	(1,000)
Right-of-use assets	66,000	11,000
Tax credit	15,000	-
Total deferred income tax liabilities	6,134,000	5,657,000
Deferred income tax assets not recognized	128,000	118,000

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As of September 30, 2025, expiration dates of losses available to reduce future years' income tax are:

	Federal	Provincial
	\$	\$
2026	78,000	69,000
2027	126,000	112,000
2027	177,000	183,000
2028	540,000	514,000
2029	645,000	631,000
2030	726,000	713,000
2031	677,000	663,000
2032	748,000	736,000
2033	906,000	891,000
2034	760,000	749,000
2035	820,000	790,000
2036	1,062,000	1,048,000
2037	1,360,000	1,343,000
2038	1,275,000	1,261,000
2039	1,501,000	1,481,000
2040	2,822,000	1,650,000
2041	2,304,000	2,755,000
2042	2,262,000	2,508,000
2043	1,304,000	1,295,000
2044	1,514,000	1,505,000
2045	1,550,000	1,550,000

All the exploration work imposed by the November 2023 flow-through financings was completed before September 30, 2024. As at September 30, 2025, all the exploration work imposed by the December 2024 flow-through financings was completed, while relating to the July 2025 \$5,058,037 exploration work remain to be completed before December 31, 2026.

11. FINANCIAL INSTRUMENTS AND RISKS

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. The Corporation's management manages financial risks. The Corporation does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Corporation's main financial risk exposure and its financial risk management policies are as follows:

11.1 Market Risk

Interest rate fair value risk

Since the guaranteed investment certificates are at fixed rates, the Corporation is not exposed to interest rate risk on the instruments themselves. The Corporation's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

Listed shares risk

Listed shares risk is the risk that the fair value of a financial instrument varies due to the changes in the Canadian mining sector and equity market. For the Corporation's listed shares at fair value through profit and loss, a variation of plus or minus 20% of the quoted market prices as at September 30, 2025, would result in an estimated effect on the net income (loss) of \$25,031.

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11.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is subject to concentrations of credit risk through cash and cash equivalents, investments and accounts receivable. The Corporation reduces its credit risk by maintaining part of its cash and cash equivalents and its investments in financial instruments held with a Canadian chartered bank, with a broker which is a subsidiary of a Canadian chartered bank or with an independent investment dealer member of the Canadian Investor Protection Fund.

In Fiscal 2025, the investments are composed of guaranteed investment certificates issued by Canadian banks or guaranteed by the Canadian Investor Protection Fund. The Corporation aims at signing partnership agreements with established companies and follows their cash position closely to reduce its credit risk on accounts receivable. The carrying amount of cash and cash equivalents and investments represents the Corporation maximum credit exposure. Nevertheless, the management considers the credit risk to be minimal and further disclosure are not significant.

11.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. As at September 30, 2025, the Corporation has working capital of \$7,172,674 including cash and cash equivalents of \$1,868,473. Management of the Corporation believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due.

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.

11.4 Fair value

The carrying value of cash, investments, accounts receivable and accounts payable and accrued liabilities, advance received for upcoming exploration work and lease liabilities are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

Fair value estimates are made at the consolidated statement of financial position date, based on relevant market information and other information about financial instruments.

The fair value of the listed shares at fair value through profit and loss is established using the closing price on the most beneficial active market for this instrument that is readily available to the Corporation and as such are classified as Level 1 in the fair value hierarchy.

12. ADDITIONAL INFORMATION ON CASH FLOWS

	Fiscal 25	Fiscal 24
	\$	\$
Stock-based compensation included in E&E expenses	48,794	58,722
Additions of exploration properties and E&E expenses included in accounts payable and accrued liabilities	404,390	282,606
Tax credits receivable applied against E&E expenses	128,283	69,554
Listed shares received for option payment	-	175,000
Interest received	287,285	270,891

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13. SUBSEQUENT EVENTS

13.1 Lewis project

On November 14, 2025, the Corporation signed a definitive option agreement with a wholly owned indirect subsidiary of Barrick whereby Barrick may acquire a 75% interest in the Lewis project in consideration for cash payments totaling \$750,000 and exploration work totaling \$12,000,000, over an seven-year period. Barrick is the operator. Commitment highlights are as follows to earn a 51% initial interest and form a joint venture:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature - definitive agreement	50,000	50,000	-	-
On or before December 31, 2026	50,000	-	200,000 ¹⁾	-
On or before December 31, 2027	75,000	-	1,300,000	-
On or before December 31, 2028	75,000	-	1,500,000	-
Total	250,000	50,000	3,000,000	-

1) Firm commitment of \$200,000.

In the following two years, Barrick may earn an additional 9% in the joint venture, for a 60% interest in consideration for cash payments totalling \$200,000 and exploration work expenditures of at least \$1,500,000.

Finally, in the subsequent two years, Barrick may earn an additional 15% in the joint venture, for a total 75% interest in consideration for cash payments totalling \$300,000 and exploration work expenditures of at least \$7,500,000.

If Barrick does not exercise or complete the first joint venture funding or the second joint funding option, the joint venture interests will be subject to any subsequent adjustments in ownership made in accordance with the proportionate funding and dilution terms of the joint venture agreement. Dilution below a 10% joint venture interest results in conversion of the joint venture interest to a 2% NSR royalty with the right to repurchase 50% of the NSR royalty (1% NSR) for a payment of \$1,500,000.