



Midland Exploration Inc.

Condensed Interim Consolidated Financial Statements

Three months ended December 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 December 31, 2025	As at September 30, 2025
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	6,268,855	1,868,473
Investments (note 3)	4,000,000	6,671,200
Accounts receivable	101,286	147,691
Sales tax receivable	142,338	239,929
Tax credits and mining rights receivable	366,664	136,406
Listed shares	153,609	16,796
Prepaid expenses	79,764	112,344
Total current assets	11,112,516	9,192,839
Non-current assets		
Listed shares	-	108,360
Right-of-use assets	242,179	250,627
Advance paid for exploration work	-	159,142
Exploration and evaluation assets (note 4)		
Exploration properties	2,493,907	2,477,394
Exploration and evaluation expenses	34,601,432	34,597,625
	37,095,339	37,075,019
Total non-current assets	37,337,518	37,593,148
Total assets	48,450,034	46,785,987
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	387,144	725,171
Advance received for exploration work	22,662	207,702
Liability related to the premium on flow-through share	1,445,942	1,064,900
Lease liabilities	23,176	22,392
Total current liabilities	1,878,924	2,020,165
Non-current liabilities		
Lease liabilities – non-current portion	230,097	236,125
Total liabilities	2,109,021	2,256,290
Equity		
Capital stock	67,016,501	64,500,842
Contributed surplus	7,032,995	7,011,061
Deficit	(27,708,483)	(26,982,206)
Total equity	46,341,013	44,529,697
Total liabilities and equity	48,450,034	46,785,987

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

Midland Exploration Inc.

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

	Three months ended December 31	
	2025	2024
	\$	\$
Revenues		
Project management fees	14,407	5,362
Residual gain on option payments on exploration and evaluation assets	197,493	-
	<u>211,900</u>	<u>5,362</u>
Operating Expenses		
Salaries	325,905	301,742
Stock-based compensation	15,484	16,849
Office and other expenses	49,981	41,620
Regulatory fees	14,028	13,327
Conferences and investors relations	96,822	108,165
Professional fees	64,877	64,826
Depreciation	8,448	7,473
General exploration	20,100	11,801
Impairment of exploration and evaluation assets (note 4)	405,995	175,235
Operating expenses	<u>1,001,640</u>	<u>741,038</u>
Other revenues (expenses)		
Interest income	78,376	30,773
Change in fair value – listed shares	28,453	(2,714)
Financing fees	(5,295)	(238)
	<u>101,534</u>	<u>27,821</u>
Loss before income taxes	<u>(688,206)</u>	<u>(707,855)</u>
Recovery of deferred income taxes	141,110	10,287
Loss and comprehensive loss	<u>(547,096)</u>	<u>(697,568)</u>
Basic and diluted loss per share	(0.01)	(0.01)
Weighted average number of basic and diluted outstanding shares	108,831,296	88,924,497

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

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Midland Exploration Inc.

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

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

	Number of shares outstanding	Capital stock	Contributed surplus	Deficit	Total equity
		\$	\$	\$	\$
Balance at October 1, 2025	107,450,577	64,500,842	7,011,061	(26,982,206)	44,529,697
Loss and comprehensive loss	-	-	-	(547,096)	(547,096)
Private placement (note 5)	550,000	253,000	-	-	253,000
Flow-through private placement (note 5)	4,972,876	2,784,811	-	-	2,784,811
Less: premium	-	(522,152)	-	-	(522,152)
	4,972,876	2,262,659	-	-	2,262,659
Stock-based compensation	-	-	21,934	-	21,934
Share issue expenses	-	-	-	(179,181)	(179,181)
Balance at December 31, 2025	112,973,453	67,016,501	7,032,995	(27,708,483)	46,341,013

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

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

	Three months ended	
	December 31,	
	2025	2024
	\$	\$
Operating activities		
Loss	(547,096)	(697,568)
Adjustment for:		
Stock-based compensation	15,484	16,849
Depreciation	8,448	7,473
Impairment of exploration and evaluation assets	405,995	175,235
Variation – fair value of listed shares	(28,453)	2,714
Option payments on exploration properties	(197,493)	-
Recovery of deferred income taxes	(141,110)	(10,287)
	(484,225)	(505,584)
Changes in non-cash working capital items		
Accounts receivable	46,405	151,277
Sales tax receivable	97,591	79,163
Prepaid expenses	32,580	32,189
Accounts payable and accrued liabilities	(24,785)	(81,142)
Advance received for exploration work	(185,040)	(50,272)
	(33,249)	131,215
	(517,474)	(374,369)
Financing activities		
Principal repayment – lease liabilities	(5,244)	(9,104)
Private placement (note 5)	253,000	200,000
Flow-through private placement (note 5)	2,784,811	2,449,200
Share issue expenses (note 5)	(179,181)	(156,281)
	2,853,386	2,483,815
Investing activities		
Additions to investments	-	(2,571,200)
Investments' maturity	2,671,200	2,655,000
Additions to exploration properties	(114,294)	(142,567)
Option payments on exploration properties	537,500	-
Payment received on disposal of exploration and evaluation assets	-	75,000
Advance paid for exploration expenses	159,142	-
Additions to exploration and evaluation expenses	(1,202,824)	(508,600)
Tax credits and mining rights received	13,746	21,510
	2,064,470	(470,857)
Net change in cash and cash equivalents	4,400,382	1,638,589
Cash and cash equivalents – beginning	1,868,473	1,590,510
Cash and cash equivalents – ending	6,268,855	3,229,099
Additional information		
Stock-based compensation included in exploration and evaluation expenses	6,450	6,181
Additions of exploration properties and exploration and evaluation expenses included in accounts payable and accrued liabilities	94,914	75,345
Tax credits receivable applied against exploration and evaluation expenses	244,004	92,437
Interest received	116,126	203,293

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

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three months ended December 31, 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, 2025, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year. The Board of Directors has approved the Financial Statements on February 12, 2026.

3. INVESTMENTS

As at December 31, 2025, investments are composed of guaranteed investment certificates earning between 2.9% and 3.5% interest paid annually, maturing between January 29 and July 30, 2026, with a maturity value of \$4,128,970.

The balance on flow-through financings not spent according to the restrictions imposed by the July 25 and December 9, 2025 financings represents \$7,172,305 as at December 31, 2025 and is included in investments as well as in cash and cash equivalents.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

Three months ended December 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, 2025	Net Additions	Option payments	Impairment	As at Dec. 31, 2025
	\$	\$	\$	\$	\$
Abitibi	888,106	21,188	(43,495)	(25,973)	839,826
Grenville	34,038	9,107	-	-	43,145
James Bay	905,286	13,081	-	(1,784)	916,583
Northern Quebec	649,964	69,035	-	(24,646)	694,353
	2,477,394	112,411	(43,495)	(52,403)	2,493,907

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

Exploration and evaluation expenses	As at Sept. 30, 2025	Net Additions	Option payments	Tax credits	Impairment	As at Dec 31, 2025
	\$	\$	\$	\$	\$	\$
Abitibi	16,730,233	317,362	(6,505)	(73,982)	-	16,967,108
Grenville	119,397	3,632	-	(1,699)	-	121,330
James Bay	11,741,399	458,582	(290,007)	(122,740)	(353,592)	11,433,642
Northern Quebec	6,006,596	118,339	-	(45,583)	-	6,079,352
	34,597,625	897,915	(296,512)	(244,004)	(353,592)	34,601,432

4.1 Lewis project

On November 14, 2025, the Corporation signed a definitive option agreement with a wholly owned indirect subsidiary of Barrick Gold Corp. ("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
	\$	\$
Upon signature - definitive agreement (completed)	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	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.

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(Unaudited, in Canadian dollars)

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% net smelter return ("NSR") royalty with the right to repurchase 50% of the NSR royalty (1% NSR) for a payment of \$1,500,000.

4.2 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, Mythril-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. On December 10, 2025, RTEC paid the remaining option agreement cash payments for a total of \$487,500 (\$290,007 reduced the exploration and evaluation assets and \$197,493 is recorded in the statement of comprehensive loss).

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)	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 (completed)	162,500	-
On or before August 24, 2027 (completed)	162,500	-
On or before August 24, 2028 (completed)	162,500	-
On or before August 24, 2028 (completed)	-	16,000,000
Total	1,350,000	16,000,000

5. EQUITY

5.1 Private placements

On December 9, 2025, the Corporation completed a private placement of 4,972,876 flow-through shares at \$0.56 per share for total gross proceeds of \$2,784,811. On that date, the Corporation's share closed at \$0.455 on the Exchange, therefore the residual value attributed to the benefit related to flow-through shares renunciation is \$0.105 for a total value of \$522,152, assigned to the liability related to the premium on flow-through shares.

In addition, the Corporation also completed on December 9, 2025, a private placement of 550,000 shares at a price of \$0.46 per share for total gross proceeds of \$253,000.

In connection with the private placements, the Corporation incurred \$179,181 share issue expense, of which \$116,485 was paid as finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$248,360 under the same terms as other investors.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

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(Unaudited, in Canadian dollars)

6. SHARE-BASED COMPENSATION

The following table summarizes information about common share purchase options outstanding and exercisable as at December 31, 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	400,000	0.33	February 13, 2035
6,640,000	6,240,000		

On February 12, 2026, 870,000 stock options were granted at an exercise price of \$0.52, pursuant to the Plan.