



# Annual Report September 30, 2023

**Midland Exploration Inc.**  
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# Midland Exploration inc.

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# Midland Exploration Inc.

## Message to Shareholders

For the fiscal year ended September 30, 2023

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Dear Shareholders,

I am very pleased to present the 2023 Annual Report for Midland Exploration Inc. ("Midland" or the "Corporation").

Midland is a dynamic and proactive mineral exploration company that is led by a highly respected and experienced management and technical team with a strong reputation in the mining industry and a proven mine-finding track record. As always, Midland targets the excellent mineral potential and favourable investment climate of Quebec to discover new world-class gold and critical metal deposits. Midland continued to deploy its business model based on partnerships this year to conduct significant exploration work. We are very proud to count on reputable partners such as BHP Canada Inc. ("BHP"), Rio Tinto Exploration Canada Inc. ("RTEC"), Barrick Gold Corporation, Agnico Eagle Mines Limited, Osisko Development Corp., Probe Metals Inc. ("Probe"), Wallbridge Mining Company Ltd ("Wallbridge"), SOQUEM Inc., Brunswick Exploration Inc. ("Brunswick"), the Nunavik Mineral Exploration Fund, Cosmos Exploration Limited, and Abcourt Mines Inc. We are currently in discussions with several potential new partners. Given the unprecedented interest for nickel and lithium in Quebec, we are confident that we will quickly conclude new option agreements in the coming months.

Midland continued to pursue its strategy of exploring in partnership across Quebec and achieved significant progress once again in 2023, with the execution of a new partnership agreement with RTEC who optioned an interest in several properties with strong lithium potential in the James Bay region of Quebec for up to \$65.5 million in work expenditures and other payments over a period of 10 years. Midland also concluded a new partnership with Barrick; pursuant to the transaction, Barrick may acquire up to 75% interest in the property in consideration of cash payments totalling \$1,017,500 and exploration expenditures totalling \$16,575,000 over a period of eight years. Major exploration programs were launched in 2023 under these two agreements and will continue in 2024.

One of the highlights of our exploration efforts in 2023 was certainly the joint discovery, under an option agreement with RTEC, of significant lithium mineralization on our Galinee property. During the first phase of the work program, spodumene-bearing pegmatite dykes were identified over a distance of nearly 600 metres at the Iceberg showing, with high grades reaching 7.2% Li<sub>2</sub>O in grab samples. Additional new spodumene-bearing outcrops were also found 500 metres south and 900 metres southwest of the Iceberg showing.

Prospecting work conducted in the summer of 2023 under our Strategic Alliance with SOQUEM in the Labrador Trough led to the discovery of several new horizons with high-grade copper and gold mineralization. In 2022, grab samples collected on this new mineralized system graded up to **25.6% Cu, 4.9 g/t Au and 162 g/t Ag, as well as 7.14% Cu, 3.78 g/t Au and 33.5 g/t Ag**. The summer 2023 program resulted in the discovery of 6 new mineralized veins at surface and numerous erratic boulders containing copper and gold mineralization spread over an area of 7 km<sup>2</sup>. Twenty-three samples, including 9 from outcrops, yielded grades > 0.1% Cu and **6 samples yielded grades > 1% Cu, up to 20.4% Cu**. Follow-up work for 2024, pending approval, will include soil and rock sampling, stripping, channel sampling, and an induced polarization geophysical survey.

Drilling in the Abitibi region, on our La Peltrie project in partnership with Probe, led to the discovery in 2022 of a large **Cu-Au-Ag-Mo mineralized system with a drill interval of 345.5 metres grading 0.2% CuEq.**, which remains open along strike and at depth. Recent work on the La Peltrie property has successfully demonstrated the tremendous potential for significant gold and copper mineralized systems. Follow-up drilling (2,700 m) on this new discovery was completed in the late summer of 2023 and assay results are pending. Discussions are currently underway to perform additional drilling in 2024 on this new discovery.

A drilling program with RTEC on our Tête Nord project located near the town of La Tuque resulted in the discovery, in early 2023, of a new Ni-Cu zone (Santos). The Santos Ni-Cu zone was discovered after drill-testing an electromagnetic VTEM anomaly. The discovery hole (MDLD0015) intersected, from 14 to 80 metres downhole depth, several layers with Ni-Cu mineralization within altered gabbro horizons. From 20.11 to 22.79 metres, the drill hole intersected 1.10% Ni and 0.71% Cu over 2.68 metres. Further down, from 33.02 to 43.39 metres, a mineralized interval graded 0.45% Ni and 0.18% Cu over 10.37 metres.

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A second shallow hole was drilled in July 2023 on the Santos zone, approximately 50 metres west of the discovery hole. After going through 11.66 metres of overburden, drill hole MDLD0018 intersected a mineralized zone grading 0.33% Ni and 0.12% Cu over 39.73 metres, from 11.66 to 51.39 metres downhole depth (see press release by Midland dated October 12, 2023). The interval exhibits impressive magmatic breccias with a few decimetre-scale semi-massive sulphide zones, indicative of a dynamic magmatic system at Santos. These two drill holes, MDLD0015 and MDLD0018, began directly in the mineralized zone; the total thickness of the zone is still unknown and it remains open in all directions. Follow-up drilling is currently underway to test the depth extensions of the Santos showing.

Finally, major exploration programs including geophysical and geochemical surveys and prospecting campaigns were carried out in the summer of 2023 under our Strategic Alliance for Ni with BHP in Quebec's Far North (Kuujuaq area). The 2023 exploration program, which began in July 2023, focused on a major crustal-scale structure that was previously identified during regional magneto-telluric ("MT") surveys conducted in 2022. This structure, previously poorly defined, is potentially favourable for nickel-copper mineralization. The 2023 program consisted of a lake sediment survey totalling 1,534 samples, an airborne Z-Tipper axis ("ZTEM") electromagnetic survey, and two phases of mapping and prospecting that took place in July and August. Results are pending.

Here are the main highlights of our past year of activities:

- New lithium discoveries with Rio Tinto and Brunswick on our Galinee and Elrond projects;
- New option agreement with Rio Tinto on 10 lithium projects in the James Bay region (\$65.5 million);
- New option agreement with Barrick on the Patris gold project (\$17.5 million);
- Discovery of new high-grade Cu-Au showings with SOQUEM in the Labrador Trough;
- ZTEM survey completed with BHP under the Nunavik Ni-Cu Alliance; started phase 2 prospecting;
- Follow-up drilling (2,700 m) on La Peltrie with Probe (0.21% CuEq./345.5 m);
- Discovery of the new Ni-Cu Santos mineralized zone on Tête Nord with RTEC;
- One-year extension of the generative phase of our alliance with BHP with a \$3.5 million budget;
- Drilling completed under the ADDP project (7,600 m) on the Patris-Laflamme-Heva-Adam properties;
- Till survey completed on Nomans to the west (60 km) of the Kenorland/Newmont discovery;
- More than 15,000 metres of drilling completed during fiscal 2023.

Midland intends to continue aggressively exploring its various projects for gold and critical metals in 2024, to discover world-class deposits. Another ambitious exploration program, similar to 2023, will be deployed on the Corporation's best projects and recent new discoveries. Midland will continue to generate several new projects and seek to quickly conclude additional partnership agreements for properties acquired in recent years. In 2023, we also continued to increase visibility for Midland by taking part in numerous promotional events throughout the year to attract significant new shareholders.

Midland also intends to continue assessing interesting business opportunities as they arise in 2024. Midland has a very strong financial position, with more than \$8 million in adjusted working capital as at December 1, 2023, after completing its \$2.7 million private placement.

On behalf of the management team and the Board of Directors, I would like to express our sincere acknowledgements for your trust, your patience, and your renewed support throughout 2023. I would also like to take this opportunity to welcome the new shareholders who joined us during the year. Midland is a company that relies on a high-calibre Board of Directors and a dynamic, motivated, and talented technical team who will spare no effort in 2024 to make one or many significant discoveries in Quebec.

*(s) Gino Roger*  
Gino Roger, P.Eng.  
President and CEO

**Midland Exploration Inc.**  
**Management Discussion & Analysis**  
For the year ended September 30, 2023

The following discussion and analysis (the “MD&A”) of the financial condition and results of the operations of Midland Exploration Inc. (“Midland” or “the Corporation”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the year ended September 30, 2023, as well as the performance of its wholly owned subsidiary Midland Base Metals Inc. This MD&A should be read in conjunction with the Corporation’s audited consolidated financial statements as at September 30, 2023 (the “Financial Statements”) prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from [www.sedar.com](http://www.sedar.com).

<b>Abbreviation</b>	<b>Period</b>
Fiscal 22	October 1, 2021 to September 30, 2022
Q1-22	October 1, 2022 to December 31, 2022
Q2-22	January 1, 2023 to March 31, 2023
Q3-22	April 30, 2023 to June 30, 2023
Q4-22	July 1, 2023 to September 30, 2023
Fiscal 23	October 1, 2022 to September 30, 2023
Q1-23	October 1, 2023 to December 31, 2023
Q2-23	January 1, 2024 to March 31, 2024
Q3-23	April 30, 2024 to June 30, 2024
Q4-23	July 1, 2024 to September 30, 2024
Fiscal 24	October 1, 2023 to September 30, 2024

**1. NATURE OF ACTIVITIES**

Midland, incorporated 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. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the MD ticker.

**2. OVERALL PERFORMANCE**

Fiscal 23 is an excellent year for Midland by the:

- Important level of exploration work completed on its properties for \$14.5M (\$8.2M in Fiscal 22).
- Closing and continuation of 14 partnerships in a variety of commodities (gold, copper, nickel and lithium).
- Meters drilled: 15,139 metres in 86 holes (3,861 metres in 11 holes in Fiscal 22).
- Generation of \$314,971 (\$210,412 in Fiscal 22) project management fees.
- Payments in cash and listed shares for \$950,000 (including the \$500,000 payment from Rio Tinto Exploration Canada Inc. (“RTEC”) cashed on October 3, 2023).
- Interest revenues of \$251,035 (\$80,524 in Fiscal 22) at favorable rates.
- Financings covering more than the annual exploration budget with the support of its loyal shareholders.

The parameters are in place to, we hope, realize Midland's motto which is to uncover the next major discovery in Québec.

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**2.1 Highlights of exploration work in Fiscal 23**

- New Cu-Au-Mo-Ag discovery (0.21% CuEq/345.5 metres) with Probe Gold Inc. (“Probe”) on La Peltrie option and a second phase of drilling completed, assays pending.
- High-grade gold shears (18.9 g/t Au) and floats (28.7 g/t Au) discovered on Laflamme, and two phases of drilling completed.
- New discovery of high-grade Cu-Au under the Labrador Trough Alliance with SOQUEM Inc. (“SOQUEM”).
- New Ni-Cu discovery (Santos Zone) with RTEC on Tête Nord option and a second phase of drilling commencing.
- New option agreement with RTEC for lithium including 10 properties in James Bay and beginning of an imagery and LiDAR surveys.
- New discovery with up to 7.2% Li<sub>2</sub>O on Galinée with RTEC.
- New option agreement with Barrick Gold Corporation (“Barrick”) for the Patris gold project and completion of a VTEM survey and upcoming drilling program.
- New option agreement with Brunswick Exploration Inc. (“Brunswick”) on Mythril and Elrond for their lithium potential.
- New spodumene-bearing pegmatites discovery on Elrond with Brunswick.
- Major magnetotelluric (“MT”) survey completed with BHP Canada Inc. (“BHP”) and completion of an important program of \$3.5M for the Ni-Cu Alliance in Nunavik.
- Drilling programs Abitibi Discovery Drilling Program (“ADDP”) completed on Patris, Heva, Adam and Laflamme.

Starting June 2023, major forest fires have raged in Quebec. During Summer 2023, several areas of Abitibi, Côte-Nord and James Bay with Midland properties have been affected by ground access bans and some access roads have also been closed. These fires have reduced the availability of helicopters. They were requisitioned to fight the fires and evacuate affected residents, thus making exploration work in remote areas, such as James Bay and Nunavik, impossible to complete. Field work has gradually restarted, and access restrictions are now lifted.

More details can be found in section 4.

**2.2 Working capital**

Midland has an adjusted working capital<sup>1)</sup> of \$4,613,449 as of September 30, 2023 (\$5,935,098 as of September 30, 2022), which will allow the Corporation to execute its exploration program and absorb its general corporate expenses for at least the next two years.

The adjusted working capital<sup>1)</sup> is calculated as follows:

	<b>As at September 30, 2023</b>	<b>As at September 30, 2022</b>
	\$	\$
Current assets	5,678,842	6,805,920
Current liabilities	(1,865,393)	(870,822)
<b>Working capital</b>	<b>3,813,449</b>	<b>5,935,098</b>
Investments – non-current portion	800,000	-
<b>Adjusted working capital<sup>1)</sup></b>	<b>4,613,449</b>	<b>5,935,098</b>

1) Midland has included a non-IFRS measure, “Adjusted working capital”, to supplement its financial statements, which are presented in accordance with IFRS. Midland believes that this measure, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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## **2.3 Private placements**

### **2.3.1 Flow-through private placements**

On November 17 and December 1, 2022, the Corporation completed private placements of 4,034,000 flow-through shares at \$0.50 per share for total gross proceeds of \$2,017,000. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$203,000 under the same terms as other investors. In addition, on November 17 and December 1, 2022, the Corporation completed, with an originator of flow-through donation financing, a private placement of 1,268,400 flow-through shares at \$0.70 per share for total gross proceeds of \$887,880.

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. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$174,300 under the same terms as other investors. 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.

### **2.3.2 Private placements**

Through a private placement on January 14, 2022, BHP exercised its right to maintain its ownership to 5.0% by acquiring 170,000 shares at a price of \$0.55 per share for total gross proceeds of \$93,500. In similar circumstances on January 23, 2023, BHP acquired 356 000 shares at a price of \$0.40 per share for total gross proceeds of \$142 400. This right had been granted to BHP on April 18, 2019 pursuant to an Investor Rights Agreement with the Corporation.

On December 1, 2022, the Corporation completed a private placement of 1,450,000 shares at a price of \$0.40 per share for total gross proceeds of \$580,000.

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

## **2.4 Outstanding share data:**

	<b>As at December 7, 2023 Number</b>	<b>As at September 30, 2023 Number</b>
Common shares	86,870,758	82,776,197
Options	6,000,000	6,000,000
	<b>92,870,758</b>	<b>88,776,197</b>

## **2.5 New agreements with partners and updates**

### **2.5.1 Option agreement with Brunswick on Mythril and Elrond**

On November 22, 2022, the Corporation signed an option agreement with Brunswick whereby Brunswick has 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 properties.



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Under this new agreement, Brunswick may acquire an initial 50% interest, the option 1, in the Mythril property over a three-year period, at the following conditions:

	Payments		Exploration Work		
	Commitment in cash	Commitment in shares	Completed	Commitment	Completed
	\$		\$	\$	\$
Upon signature (completed)	25,000	25,000 <sup>1)</sup>	50,000	-	-
On or before November 22, 2023 <sup>2)</sup>	50,000	50,000	-	300,000	272,511
On or before November 22, 2024	70,000	70,000	-	300,000	-
On or before November 22, 2025	-	210,000	-	900,000	-
<b>Total</b>	<b>145,000</b>	<b>355,000</b>	<b>50,000</b>	<b>1,500,000</b>	<b>272,511</b>

1) 62,500 shares of Brunswick received

2) The \$50,000 cash payment and the issuance of 48,544 Brunswick shares valued at \$50,000 were completed before November 22, 2023

In addition, Brunswick may earn an additional 35% undivided interest in the claims, option 2, in the properties over an additional two-year period, at the following conditions:

- Aggregate consideration of \$200,000 payable according to the following schedule:  
1<sup>st</sup> Anniversary: \$100,000 in cash or stock, at Brunswick's option; 2nd anniversary: \$100,000 in cash or stock, at Brunswick's option.
- Requirement to spend an additional amount of \$2,000,000 in exploration expenditures, in cash or in shares, at Brunswick's option, according to the following schedule: 1st anniversary after exercising option 1: amount of \$1,000,000; and 2nd anniversary after exercising option 1: additional amount of \$1,000,000.

Any Brunswick share issuance during option 1 and option 2 is subject to a minimum price of \$0.24 per share.

If Brunswick exercise option 1 and 2, it would hold a right of first refusal on the 15% remaining interest held by the Corporation and the Corporation would not be required to participate in exploration and development expenditures until a mine is constructed to extract all metals or minerals except precious metals (gold, platinum, palladium and silver) and base metals (copper, zinc, nickel and lead).

### 2.5.2 Option agreement with Barrick on Patris

On May 11, 2023, the Corporation signed a definitive option agreement with a wholly owned indirect subsidiary of Barrick whereby Barrick may acquire a 75% interest in the Patris property in consideration for cash payments totaling \$1,017,500 and exploration work totaling \$16,575,000, over an eight-year period, including a firm commitment of \$3,000,000, over a four-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 May 11, 2024	60,000	-	500,000	369,974
On or before May 11, 2025	77,500	-	-	-
On or before May 11, 2026	95,000	-	-	-
On or before May 11, 2027	110,000	-	3,500,000	-
<b>Total</b>	<b>392,500</b>	<b>50,000</b>	<b>4,000,000</b>	<b>369,974</b>

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 \$265,000 and exploration work expenditures of at least \$2,000,000.

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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 \$360,000 and exploration work expenditures of at least \$10,575,000.

If Barrick does not exercise or complete the first joint venture funding or the second joint venture 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.

**2.5.3. Option agreement with RTEC for lithium in James Bay**

On June 13, 2023, the Corporation signed an option agreement with RTEC for 10 lithium properties in the James Bay region, including Corvette, Mythril-East, Chisaayuu, Galinée, Moria, Shire, Komo, Warp, Sulu, and Picard (the “Lithium Properties”).

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

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Initial payment	500,000	500,000 <sup>1)</sup>	-	-
On or before August 24, 2024	100,000	-	-	-
On or before August 24, 2025	100,000	-	-	-
On or before August 24, 2026	100,000	-	-	-
On or before August 24, 2027	100,000	-	-	-
On or before August 24, 2028	100,000	-	14,500,000	817,383
<b>Total</b>	<b>1,000,000</b>	<b>500,000</b>	<b>14,500,000</b>	<b>817,383</b>

1) Received October 3, 2023

Exploration expenditures totalling \$14,500,000 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 Lithium Properties 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 \$50,000,000 (for a total of \$64,500,000 under the option agreement).

If RTEC acquires an interest in the Lithium Properties, 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.

#### **2.5.4 Update on royalties held by Altius Resources Inc. and its affiliate Altius Royalties Corp. (“Altius”)**

On February 10, 2017, the Corporation signed a letter of intent creating a strategic alliance with Altius (the “Altius Alliance”). On February 12, 2019, the parties jointly decided to terminate the Altius Alliance. The designated projects as per the Altius Alliance (Elrond, Gondor, Helms Deep, Isengard, Minas Tirith, Moria, Shire, Mythril and Fangorn) maintain their 1% NSR royalty in favor of Altius, on the claims that were active at the time of their designation, as reiterated in the Royalty agreements signed on June 12 and 19, 2023.

#### **2.5.5 Update on the Mythril right of first offer (“ROFO”) held by BHP**

Pursuant to the April 17, 2019, investment agreement with BHP, BHP has the right of first offer on the Mythril project in the event the Corporation sought to divest all or part of its interest. On May 8, 2023, amendment to this investment agreement was signed whereby the claims that are part of the RTEC option agreement on James Bay Lithium are no longer subject to the Mythril ROFO.

#### **2.5.5 List of agreement with partners**

As at September 30, 2023, the following properties are under agreements with partners:

- Casault Wallbridge Mining Company Ltd (“Wallbridge”)
- Gaudet Probe
- La Peltrie Probe
- Laflamme Abcourt Mines Inc. (“Abcourt”)
- Maritime Cadillac Agnico Eagle Mines Ltd (“Agnico Eagle”)
- Patris Barrick
- Tête Nord RTEC
- BJ Lithium RTEC
- Eleonore JV Electric Elements Mining Corp. (“EEM”)
- LaSalle Cosmos Exploration Ltd
- Mythril et Elrond Brunswick
- BHP Alliance Ni BHP
- Labrador Through SOQUEM
- Soissons Nunavik Mineral Exploration Funds (“NMEF”)

## **2.6 Initiatives in sustainable development, certification, health and safety**

### *Sustainable Development Policy*

The Corporation has a Sustainable Development Policy to create long-term value in mineral exploration, mineral resource extraction and metal production. The Corporation works in collaboration with all stakeholders to ensure that the principles of governance, health and safety, environment, human rights, community, and transparency are respected and exemplary in all our activities.

### *UL ECOLOGO® 2723 Certification*

The Corporation has been in the accreditation process to obtain the ECOLOGO® UL 2723 certification for mineral exploration. This certification helps to promote the application of best environmental, social, and economic practices in the mining exploration industry. The Corporation filed all documentation during T2-23 and is awaiting for it computerised audit.

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*Health and safety at work:*

During T3-23, an update of the Emergency Measure Plan has been done by Urgence industrielle Dan Ouellet Inc. who continued his support mandate and did a training on the latest update of the guide with the entire team. Following this training, monthly Health & Safety meetings were established with a view to continuous improvement to reduce the risk of accidents. No major accidents with loss of time or material damage were reported for Fiscal 23.

**3. RESULTS OF OPERATIONS**

As operator, Midland incurred exploration expenditures totalling \$7,208,440 (\$5,068,401 in Fiscal 22), on its properties of which \$3,304,317 was recharged to its partners (\$2,244,701 in Fiscal 22). The operating partners incurred \$7,272,648 of exploration expenses (\$3,114,180 in Fiscal 22). Also, the Corporation invested \$564,707 (\$510,255 in Fiscal 22) to complete several property acquisitions in Quebec or maintained them, of which \$96,196 was recharged to its partners (\$28,495 in Fiscal 22).

The Corporation reported a loss of \$1,109,216 in Fiscal 23 compared to \$1,900,085 for Fiscal 22.

Project management fees increased to \$314,971 (\$210,412 in Fiscal 22). The BHP alliance started in August 2020 and generated most of the project management fees. Also, the Labrador Trough SOQUEM alliance started in February 2021.

Operating expenses decreased at \$2,839,391 for Fiscal 23 compared to \$3,000,883 in Fiscal 22, and following are the explanations for the main variances:

- Conference and investors relations \$237,399 (\$285,318 in Fiscal 22). Midland retained Renmark Financial Communications Inc. ("Renmark") to provide investor relations services for a monthly cash consideration of \$6,000 from March 1, 2022, to September 30, 2022, and did not retain their services in Fiscal 23.
- Professional fees: \$414,018 (\$304,373 in Fiscal 22). The Corporation signed and implemented several agreements with major partners requiring the contribution of its legal and accounting professionals.
- Impairment of exploration and evaluation assets: \$976,731 (\$1,208,289 in Fiscal 22). Write offs were recorded on Gatineau for \$343,302, Turgeon for \$202,562, Jeremie for \$135,855 and Guyberry for \$76,181 (Pallas for \$694,694 in Fiscal 22). In addition, the Corporation dropped certain claims and partially impaired mainly the following properties: Jouvex for \$52,089, JV Eleonore for \$49,848 and Laflamme for \$35,053 (BJ Eleonore for \$65,614, BJ Au for \$59,796, Mythril for \$190,066 and Willbob for \$110,837 in Fiscal 22). See section 4 for more details.

The Corporation has received listed share as part of agreements on its exploration properties. A change in fair value of listed shares was recorded as follows:

	<b>Fiscal 23</b>	<b>Fiscal 22</b>
	\$	\$
Brunswick	30,730	-
Probe	3,181	(10,631)
Niobay Metals inc.	(5,000)	(29,000)
	<b>28,911</b>	<b>(39,631)</b>

The \$30,730 change in fair value on Brunswick in Fiscal 23 is in fact a realized gain on the sale of the 62,500 shares received. The change in fair value of Probe includes a realized gain of \$25,217 on the sale of 35 423 shares in Fiscal 22.

**Midland Exploration Inc.**  
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A \$1,140,043 (\$856,355 in Fiscal 22) recovery of deferred income taxes (non-cash item) was recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares following the November and December 2022 private placement (December 2021 in Fiscal 22). All exploration work imposed by the November and December 2022 flow-through financing was completed before September 30, 2023. The balance on flow-through financing not spent according to the restrictions imposed by the December 2021 financings represents \$308,636 as at September 30, 2022 and were completed before December 31, 2022.

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**4. EXPLORATION ACTIVITIES**

Deferred exploration expenses Fiscal 23	Balance Sept. 30, 2022	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance Sept. 30, 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Abitibi</b>													
Abitibi Au	7,383	-	-	-	-	-	-	-	-	-	-	-	7,383
Adam	446,046	174,330	-	297,424	21,266	493,020	2,759	-	-	-	-	495,779	941,825
Casault Au	2,054,569	8,450	-	17,424	-	25,874	-	(25,874)	-	(130,000)	-	(130,000)	1,924,569
Fleuribleu	54,823	7,641	-	-	-	7,641	786	-	(171)	-	-	8,256	63,079
Gaudet	714,630	(2,555)	32,557	145	-	30,147	3,199	-	(3,099)	-	-	30,247	744,877
Guyberry	67,004	-	-	-	-	-	-	-	-	-	(67,004)	(67,004)	-
Heva Au	371,453	6,545	-	47,917	7,351	61,813	-	-	-	-	-	61,813	433,266
Jeremie	121,140	-	-	-	-	-	-	-	-	-	(121,140)	(121,140)	-
Jouvex Au	733,296	17,980	48,280	-	-	66,260	1,747	-	(608)	-	-	67,399	800,695
La Peltrie Au	1,045,108	19,323	-	1,119	-	20,442	-	(20,442)	-	(75,000)	-	(75,000)	970,108
Lac Esther	73,927	7,521	66,590	-	-	74,111	-	-	(30,832)	-	-	43,279	117,206
Laflamme Au	3,345,909	139,726	-	644,754	165,358	949,838	15,051	-	(61,291)	-	-	903,598	4,249,507
Lewis	581,524	41,460	-	-	1,838	43,298	1,855	-	(9,805)	-	-	35,348	616,872
Mar.Cadillac Au	499,918	2,323	-	-	-	2,323	-	-	-	-	-	2,323	502,241
Mistaouac	422,236	12,407	61,390	-	-	73,797	1,333	-	(27,275)	-	-	47,855	470,091
Nickel Square	4,337	14,670	34,300	-	-	48,970	2,024	-	-	-	-	50,994	55,331
Nomans	108,154	70,269	127,895	-	33,176	231,340	823	-	(97,470)	-	-	134,693	242,847
Noyelles	183,813	8,958	-	-	-	8,958	943	-	-	-	-	9,901	193,714
Olga	571	-	-	-	-	-	-	-	-	-	-	-	571
Patris Au	679,420	101,322	-	620,085	109,869	831,276	12,022	(2,663)	-	-	-	840,635	1,520,055
Samson	1,992,857	20,106	60,925	727	5,421	87,179	678	-	(1,045)	-	-	86,812	2,079,669
Turgeon	202,050	-	-	-	-	-	-	-	-	-	(202,050)	(202,050)	-
Wawagosic	32,949	-	-	-	-	-	-	-	-	-	-	-	32,949
<b>Grenville</b>													
Gatineau JV	318,031	23	-	754	-	777	-	-	-	-	(318,808)	(318,031)	-
Tete Nord	97,535	9,612	-	-	-	9,612	-	(9,612)	-	-	-	-	97,535
Weedon Cu Zn Au	903,534	3,565	-	-	-	3,565	-	-	-	-	-	3,565	907,099
<b>James Bay</b>													
BJ Eleonore Au	1,858,875	-	-	-	-	-	589	-	-	-	-	589	1,859,464
BJ Li RTEC	-	11,820	116,025	-	-	127,845	-	(127,845)	-	-	-	-	-
Elrond	204,254	9,956	-	-	-	9,956	720	-	(443)	-	-	10,233	214,487
Fangorn	15,950	-	-	-	-	-	-	-	-	-	-	-	15,950
Galinée <sup>1)</sup>	288,121	44,757	-	-	-	44,757	-	-	(2,065)	-	-	42,692	330,813
Helms	65,026	-	-	-	-	-	-	-	-	-	-	-	65,026
JV Eleonore Au	617,865	-	66,520	-	-	66,520	-	(33,260)	-	-	-	33,260	651,125

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<b>Deferred exploration expenses Fiscal 23</b>	<b>Balance Sept. 30, 2022</b>	<b>Geology</b>	<b>Geo-physics</b>	<b>Drilling</b>	<b>Geo-chemistry</b>	<b>Sub total</b>	<b>Stock-based comp.</b>	<b>Recharge</b>	<b>Tax credits</b>	<b>Option Payment</b>	<b>Write-off</b>	<b>Net change</b>	<b>Balance Sept. 30, 2023</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Komo	112,868	28,785	-	-	-	<b>28,785</b>	-	-	(799)	-	-	<b>27,986</b>	<b>140,854</b>
Lasalle <sup>1)</sup>	239,803	81	-	-	-	<b>81</b>	-	-	-	-	-	<b>81</b>	<b>239,884</b>
McDuff	35,213	-	-	-	-	-	-	-	-	-	-	-	<b>35,213</b>
Moria	148,555	6,100	-	-	-	<b>6,100</b>	-	-	(92)	-	-	<b>6,008</b>	<b>154,563</b>
Mythril	6,086,996	65,329	154,549	9,408	989	<b>230,275</b>	3,037	-	51,983	-	-	<b>285,295</b>	<b>6,372,291</b>
Mythril BRW	-	2,292	-	-	-	<b>2,292</b>	-	(2,292)	-	-	-	-	-
Shire	329,206	20,959	-	-	-	<b>20,959</b>	-	-	(667)	-	-	<b>20,292</b>	<b>349,498</b>
Wookiee	27,681	-	-	-	-	-	-	-	-	-	-	-	<b>27,681</b>
<b>North</b>													
BHP Ni	-	923,778	1,330,077	-	412,053	<b>2,665,908</b>	-	(2,665,908)	-	-	-	-	-
Labrador Trough	687,469	202,311	3,000	-	25,987	<b>231,298</b>	11,485	(109,091)	-	-	-	<b>133,692</b>	<b>821,161</b>
Nachicapau	-	634,968	-	-	-	<b>634,968</b>	-	(307,330)	(70,255)	-	-	<b>257,383</b>	<b>257,383</b>
Soissons	106,746	3,524	-	-	-	<b>3,524</b>	-	-	-	-	-	<b>3,524</b>	<b>110,270</b>
Soissons NmeF	129,643	-	-	-	-	-	-	-	-	-	-	-	<b>129,643</b>
Willbob Au	3,305,386	30,731	-	34,200	-	<b>64,931</b>	-	-	(243)	-	-	<b>64,688</b>	<b>3,370,074</b>
<b>TOTAL</b>	<b>29,321,874</b>	<b>2,649,067</b>	<b>2,102,108</b>	<b>1,673,957</b>	<b>783,308</b>	<b>7,208,440</b>	<b>59,051</b>	<b>(3,304,317)</b>	<b>(254,177)</b>	<b>(205,000)</b>	<b>(709,002)</b>	<b>2,794,995</b>	<b>32,116,869</b>

1) Before Fiscal 23, the Galinée and Lasalle properties were grouped in the BJ Gold property.

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<b>Deferred exploration expenses Fiscal 22</b>	<b>Balance Sept. 30, 2021</b>	<b>Geology</b>	<b>Geo-physics</b>	<b>Drilling</b>	<b>Geo-chemistry</b>	<b>Sub total</b>	<b>Stock-based comp.</b>	<b>Recharge</b>	<b>Tax credits</b>	<b>Option Payment</b>	<b>Write-off</b>	<b>Net change</b>	<b>Balance Sept. 30, 2022</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Abitibi</b>													
Abitibi Au	-	7,474	-	-	-	<b>7,474</b>	-	-	(91)	-	-	<b>7,383</b>	<b>7,383</b>
Adam	415,688	20,040	-	-	10,010	<b>30,050</b>	499	0	(191)	-	-	<b>30,358</b>	<b>446,046</b>
Casault Au	2,164,225	4,865	-	11,501	-	<b>16,366</b>	-	(16,366)	-	(109,656)	-	<b>(109,656)</b>	<b>2,054,569</b>
Fleuribleu	3 915	3,588	46,119	-	-	<b>49,707</b>	1,854	-	(653)	-	-	<b>50,908</b>	<b>54,823</b>
Gaudet	631,744	45,784	42,372	4,947	5,101	<b>98,204</b>	3,213	(1,738)	(16 793)	-	-	<b>82,886</b>	<b>714,630</b>
Guyberry	65,182	-	2,750	-	-	<b>2,750</b>	-	-	(928)	-	-	<b>1,822</b>	<b>67,004</b>
Heva Au	278,508	601	92,034	300	739	<b>93,674</b>	-	-	(729)	-	-	<b>92,945</b>	<b>371,453</b>
Jeremie	121,140	-	-	-	-	-	-	-	-	-	-	-	<b>121,140</b>
Jouvex Au	685,020	41,455	-	-	10,692	<b>52,147</b>	-	-	(3 871)	-	-	<b>48,276</b>	<b>733,296</b>
La Peltrie Au	1,106,671	6,950	-	1,049	-	<b>7,999</b>	-	(7,999)	-	(61,563)	-	<b>(61,563)</b>	<b>1,045,108</b>
Lac Esther	74,109	-	-	-	-	-	-	-	(182)	-	-	<b>(182)</b>	<b>73,927</b>
Laflamme Au	3,118,720	85,244	94,420	18,019	28,996	<b>226,679</b>	1,452	-	(942)	-	-	<b>227,189</b>	<b>3,345,909</b>
Lewis	306,302	106,449	109,485	1,511	63,558	<b>281,003</b>	4,947	-	(10 728)	-	-	<b>275,222</b>	<b>581,524</b>
Mar.Cadillac Au	499,918	-	-	-	-	-	-	-	-	-	-	-	<b>499,918</b>
Mistaouac	414,648	6,064	712	-	313	<b>7,089</b>	499	-	-	-	-	<b>7,588</b>	<b>422,236</b>
Nickel Square	-	4,337	-	-	-	<b>4,337</b>	-	-	-	-	-	<b>4,337</b>	<b>4,337</b>
Nomans	11,212	125,329	-	-	19,499	<b>144,828</b>	1,947	-	(49 833)	-	-	<b>96,942</b>	<b>108,154</b>
Noyelles	3,840	69,691	101,857	-	12,149	<b>183,697</b>	2,225	-	(5 949)	-	-	<b>179,973</b>	<b>183,813</b>
Olga	-	571	-	-	-	<b>571</b>	-	-	-	-	-	<b>571</b>	<b>571</b>
Patris Au	362,825	68,710	226,305	5,366	17,264	<b>317,645</b>	2,336	-	(3 386)	-	-	<b>316,595</b>	<b>679,420</b>
Samson	1,959,727	18,178	24,211	827	5,140	<b>48,356</b>	4,833	-	(20 059)	-	-	<b>33,130</b>	<b>1,992,857</b>
Turgeon	202,050	-	-	-	-	-	-	-	-	-	-	-	<b>202,050</b>
Wawagosic	32,949	-	-	-	-	-	-	-	-	-	-	-	<b>32,949</b>
<b>Grenville</b>													
Gatineau JV	274,914	54,215	-	711	-	<b>54,926</b>	-	(201)	(11 608)	-	-	<b>43,117</b>	<b>318,031</b>
Tete Nord	81,274	13,979	-	-	5,188	<b>19,167</b>	-	-	(2 906)	-	-	<b>16,261</b>	<b>97,535</b>
Weedon Cu Zn Au	901,401	3,107	-	-	-	<b>3,107</b>	499	-	(1 473)	-	-	<b>2,133</b>	<b>903,534</b>
<b>James Bay</b>													
BJ Eleonore Au	1,793,168	66,833	-	-	2,069	<b>68,902</b>	1,390	-	(4 585)	-	-	<b>65,707</b>	<b>1,858,875</b>
BJ Gold	496,698	31,214	-	-	7,511	<b>38,725</b>	-	-	(7 499)	-	-	<b>31,226</b>	<b>527,924</b>
Elrond	140,885	60,256	-	-	3,178	<b>63,434</b>	2,027	-	(2 092)	-	-	<b>63,369</b>	<b>204,254</b>
Fangorn	15,950	-	-	-	-	-	-	-	-	-	-	-	<b>15,950</b>
Helms	65,026	-	-	-	-	-	-	-	-	-	-	-	<b>65,026</b>
JV Eleonore Au	617,865	-	-	-	-	-	-	-	-	-	-	-	<b>617, 865</b>



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<b>Deferred exploration Expenses Fiscal 22</b>	<b>Balance Sept. 30, 2021</b>	<b>Geology</b>	<b>Geo-physics</b>	<b>Drilling</b>	<b>Geo-chemistry</b>	<b>Sub total</b>	<b>Stock-based comp.</b>	<b>Recharge</b>	<b>Tax credits</b>	<b>Option Payment</b>	<b>Write-off</b>	<b>Net change</b>	<b>Balance Sept. 30, 2022</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Komo	64,243	49,087	-	-	-	<b>49,087</b>	-	-	(462)	-	-	<b>48,625</b>	<b>112,868</b>
McDuff	35,213	-	-	-	-	-	-	-	-	-	-	-	<b>35,213</b>
Moria	134,573	13,982	-	-	-	<b>13,982</b>	-	-	-	-	-	<b>13,982</b>	<b>148,555</b>
Mythril	5,842,099	276,571	-	9,203	7,355	<b>293,129</b>	6,015	-	(54 247)	-	-	<b>244,897</b>	<b>6,086,996</b>
Shire	243,885	85,321	-	-	-	<b>85,321</b>	-	-	-	-	-	<b>85,321</b>	<b>329,206</b>
Wookie	27,110	571	-	-	-	<b>571</b>	-	-	-	-	-	<b>571</b>	<b>27,681</b>
<b>North</b>													
BHP Ni	-	745,357	1,063,375	-	28,965	<b>1,837,697</b>	-	(1,837,697)	-	-	-	-	-
Labrador Trough	243,476	709,362	66,878	-	87,520	<b>863,760</b>	6,397	(380,352)	(45 812)	-	-	<b>443,993</b>	<b>687,469</b>
Pallas PGE	542,649	-	-	-	-	-	-	-	-	-	(542,649)	<b>(542,649)</b>	-
Soissons	106,746	-	-	-	-	-	-	-	-	-	-	-	<b>106,746</b>
Soissons NmeF	101,998	30,090	-	-	-	<b>30,090</b>	-	(348)	(2 097)	-	-	<b>27,645</b>	<b>129,643</b>
Willbob Au	3,240,131	35,012	-	33,500	5,415	<b>73,927</b>	-	-	(8 672)	-	-	<b>65,255</b>	<b>3,305,386</b>
<b>Generation</b>	37,318	-	-	-	-	-	-	-	-	-	(37,318)	<b>(37,318)</b>	-
<b>TOTAL</b>	<b>27,465,015</b>	<b>2,790,287</b>	<b>1,870,518</b>	<b>86,934</b>	<b>320,662</b>	<b>5,068,401</b>	<b>40,133</b>	<b>(2,244,701)</b>	<b>(255 788)</b>	<b>(171,219)</b>	<b>(579,967)</b>	<b>1,856,859</b>	<b>29,321,874</b>

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Exploration and evaluation expenses	Actual Fiscal 22			Actual Fiscal 23			Budget Fiscal 23 <sup>1)</sup>			Budget Fiscal 24			
	Properties	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>100 % Midland</b>													
Abitibi Gold	8,130	-	8,130	-	-	-	5,000	-	5,000	-	-	-	-
Adam	30,050	-	30,050	493,020	-	493,020	455,000	-	455,000	5,000	-	-	5,000
Fleuribleu	49,707	-	49,707	7,641	-	7,641	5,000	-	5,000	-	-	-	-
Guyberry	2,750	-	2,750	-	-	-	-	-	-	-	-	-	-
Heva Au	93,674	-	93,674	61,813	-	61,813	70,000	-	70,000	7,000	-	-	7,000
Jeremie	-	-	-	-	-	-	4,000	-	4,000	-	-	-	-
Jouvex	52,147	-	52,147	66,260	-	66,260	65,000	-	65,000	30,000	-	-	30,000
Lac Esther	-	-	-	74,111	-	74,111	95,000	-	95,000	7,000	-	-	7,000
Lewis	281,003	-	281,003	43,298	-	43,298	50,000	-	50,000	500,000	-	-	500,000
Mistaouac	7,089	-	7,089	73,797	-	73,797	75,000	-	75,000	25,000	-	-	25,000
Molion	-	-	-	-	-	-	-	-	-	50,000	-	-	50,000
Nickel Square	4,337	-	4,337	48,970	-	48,970	100,000	-	100,000	300,000	-	-	300,000
Nomans	144,828	-	144,828	231,340	-	231,340	250,000	-	250,000	150,000	-	-	150,000
Noyelles	183,697	-	183,697	8,958	-	8,958	15,000	-	15,000	55,000	-	-	55,000
Olga	571	-	571	-	-	-	-	-	-	-	-	-	-
Patris	317,645	-	317,645	828,613	-	828,613	840,000	-	840,000	-	-	-	-
Samson	48,356	-	48,356	87,179	-	87,179	100,000	-	100,000	-	-	-	-
Valmond	-	-	-	-	-	-	5,000	-	5,000	4,000	-	-	4,000
Vezza	-	-	-	-	-	-	-	-	-	9,000	-	-	9,000
Gatineau Zn	309	-	309	777	-	777	5,000	-	5,000	-	-	-	-
Palatin	-	-	-	-	-	-	5,000	-	5,000	-	-	-	-
Tête Nord	19,167	-	19,167	-	-	-	-	-	-	-	-	-	-
Weedon Cu-Zn-Au	3,107	-	3,107	3,565	-	3,565	10,000	-	10,000	115,000	-	-	115,000
BJ Éléonore Au	68,902	-	68,902	-	-	-	20,000	-	20,000	60,000	-	-	60,000
BJ Gold	38,725	-	38,725	-	-	-	-	-	-	-	-	-	-
Elrond	63,434	-	63,434	9,956	-	9,956	5,000	-	5,000	60,000	-	-	60,000
Fangorn	-	-	-	-	-	-	5,000	-	5,000	-	-	-	-
Galinée	-	-	-	44,757	-	44,757	30,000	-	30,000	-	-	-	-
Helms	-	-	-	-	-	-	5,000	-	5,000	-	-	-	-
Komo	49,087	-	49,087	28,785	-	28,785	-	-	-	-	-	-	-
Lasalle	-	-	-	81	-	81	-	-	-	-	-	-	-
McDuff	-	-	-	-	-	-	5,000	-	5,000	-	-	-	-
Minas Tirith	675	-	675	-	-	-	-	-	-	-	-	-	-
Moria	13,982	-	13,982	6,100	-	6,100	5,000	-	5,000	-	-	-	-
Mythril	293,129	-	293,129	230,275	-	230,275	145,000	-	145,000	120,000	-	-	120,000
Shire	85,321	-	85,321	20,959	-	20,959	-	-	-	-	-	-	-
Tilly	-	-	-	-	-	-	-	-	-	60,000	-	-	60,000
Wookie	571	-	571	-	-	-	-	-	-	50,000	-	-	50,000
Nachicapau	400	-	400	-	-	-	-	-	-	-	-	-	-
Pallas EGP	-	-	-	600	-	600	-	-	-	-	-	-	-
Soissons	-	-	-	3,524	-	3,524	10,000	-	10,000	-	-	-	-
Willbob	73,927	-	73,927	64,931	-	64,931	30,000	-	30,000	80,000	-	-	80,000
Project generation	-	-	-	14,876	-	14,876	40,000	-	40,000	159,000	-	-	159,000
	<b>1,934,720</b>	<b>-</b>	<b>1,934,720</b>	<b>2,454,186</b>	<b>-</b>	<b>2,454,186</b>	<b>2,454,000</b>	<b>-</b>	<b>2,454,000</b>	<b>1,846,000</b>	<b>-</b>	<b>-</b>	<b>1,846,000</b>

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Exploration and evaluation expenses	Actual Fiscal 22			Actual Fiscal 23			Budget Fiscal 23 <sup>1)</sup>			Budget Fiscal 24		
	Properties	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Option</b>												
BJ Lithium RTEC	-	-	-	-	804,598	804,598	-	-	-	-	1,500,000	1,500,000
Casault - Wallbridge	-	721,850	721,850	-	1,093,616	1,093,616	-	1,200,000	1,200,000	-	1,000,000	1,000,000
La Peltrie – Probe	-	1,291,562	1,291,562	-	1,298,992	1,298,992	-	1,000,000	1,000,000	-	1,100,000	1,100,000
Lasalle – Cosmos	-	-	-	-	288,374	288,374	-	500,000	500,000	-	250,000	250,000
Mythril-Elrond – Brunswick	-	-	-	-	274,803	274,803	-	300,000	300,000	-	300,000	300,000
Patris – Barrick	-	-	-	-	372,637	372,637	-	-	-	-	1,500,000	1,500,000
Tête Nord – Rio Tinto	-	843,605	843,605	-	3,260,548	3,260,548	-	3,200,000	3,200,000	-	1,200,000	1,200,000
	-	<b>2,857,017</b>	<b>2,857,017</b>	-	<b>7,393,568</b>	<b>7,393,568</b>	-	<b>6,200,000</b>	<b>6,200,000</b>	-	<b>6,850,000</b>	<b>6,850,000</b>
<b>Joint venture</b>												
BHP Ni Alliance	-	1,837,697	1,837,697	-	2,665,908	2,665,908	-	3,800,000	3,800,000	-	400,000	400,000
Lab. Trought – SOQUEM 0%	483,408	483,409	966,817	449,845	449,847	899,692	650,000	650,000	1,300,000	490,000	490,000	980,000
Gatineau JV 50%	54,416	54,416	108,832	-	-	-	-	-	-	-	-	-
Gaudet-Fenelon – Probe	96,466	96,599	193,065	30,147	34,382	64,529	60,000	60,000	120,000	5,000	5,000	10,000
JV Eleonore Osisko 50%	-	-	-	33,260	33,260	66,520	40,000	40,000	80,000	195,000	195,000	390,000
Lafamme Au– Abcourt	226,679	-	226,679	949,838	-	949,838	925,000	-	925,000	295,000	-	295,000
Maritime-Cadillac AEM 51%	-	-	-	2,323	-	2,323	5,000	-	5,000	-	-	-
Soissons NMEF 50%	29,742	29,743	59,485	-	-	-	50,000	50,000	100,000	45,000	45,000	90,000
	<b>890,711</b>	<b>2,501,864</b>	<b>3,392,575</b>	<b>1,465,413</b>	<b>3,183,397</b>	<b>4,648,810</b>	<b>1,730,000</b>	<b>4,600,000</b>	<b>6,330,000</b>	<b>1,030,000</b>	<b>1,135,000</b>	<b>2,165,000</b>
<b>Grand total</b>	<b>2,825,431</b>	<b>5,358,881</b>	<b>8,184,312</b>	<b>3,919,599</b>	<b>10,576,965</b>	<b>14,496,564</b>	<b>4,184,000</b>	<b>10,800,000</b>	<b>14,984,000</b>	<b>2,876,000</b>	<b>7,985,000</b>	<b>10,861,000</b>

1) Updated on July 18, 2023

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Concerning the table in the previous page:

- When the work is done and paid by the partners, the expenses are not included in the Midland accounts. The previous table shows all the work being done on Midland's properties including work done and paid by operating partners.
- This table excludes stock-based compensation that has been capitalized.

Gino Roger, geological engineer, president and chief executive officer of Midland, qualified person under NI 43-101, has reviewed the technical disclosure included in this MD&A.

## **ABITIBI**

### **4.1 Abitibi Gold (Au)**

#### *Property Description*

As at September 30, 2023, the property consists of 15 claims covering a surface area of about 846 hectares included in five properties located in Lac Nicobi area and also in 31N14, 32C03, 32G03, 32G05 NTS sheets in Abitibi.

#### *Exploration work on the property*

Compilation works were completed in Lac Nicobi area.

### **4.2 Adam (Cu-Au)**

#### *Property Description*

The Adam property is wholly owned by Midland and is located about 65 kilometres west of the town of Matagami. As at September 30, 2023, it consists of 130 claims covering a surface area of about 7,229 hectares in the Abitibi region of Quebec.

The Adam property has strong gold and copper potential located about 15 kilometres east of the B26 zone held by SOQUEM and about 20 kilometres east of the former Selbaie mine, which historically produced 56.5 Mt grading 1.9% Zn, 0.9% Cu, 38.0 g/t Ag and 0.6 g/t Au.

Some claims were dropped therefore the Corporation impaired partially for \$13,032 the property cost in Q3-23.

#### *Exploration work on the property*

One drill hole was completed at a depth of 295.0 metres during Q2-23 with the objective to test below an historical value in drill hole. Several cherty horizons mineralized with pyrite and pyrrhotite were cut. No significant result was obtained.

During Q3-23, two additional holes totalling 438.0 metres were completed. These holes were designed to test VTEM conductors for their Cu-Au potential. The best result was obtained in hole ADM-23-02 which returned a weak gold anomaly (50-60 ppb Au) between 176.8 and 180.0 metres. This zone corresponds to an interval of semi-massive pyrite within a mudrocks unit.

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**4.3 Casault (Au), option agreement with Wallbridge, operated by Wallbridge**

*Property Description*

The Casault property is located about 40 kilometres to the east of the Detour Lake gold project located north of the city of La Sarre, Abitibi and as at September 30, 2023, this property consists in 327 claims covering an area of approximately 18,002 hectares. Some claims are subject to a 1% net smelter return (“NSR”) royalty; Midland 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.

On June 16, 2020, the Corporation signed an option agreement with Wallbridge, amended November 4, 2022, and on September 29, 2023, whereby Wallbridge may earn a 50% interest in the Casault property in consideration of the following:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	100,000	100,000	-	-
On or before June 30, 2021	110,000	110,000	750,000	750,000
On or before June 30, 2022	110,000	110,000	1,000,000	1,000,000
On or before June 30, 2023	130,000	130,000	-	-
On or before December 31, 2023	-	-	1,250,000	1,250,000
On or before June 30, 2024	150,000	-	-	-
On or before June 30, 2025	-	-	2,000,000	35,663
<b>Total</b>	<b>600,000</b>	<b>450,000</b>	<b>5,000,000</b>	<b>3,035,663</b>

Wallbridge is the operator.

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.

*Exploration work on the property*

In Q3-23, Wallbridge completed a till sampling program (Sonic survey) covering the eastern portion of the property. Final results have been received and an interpretation of the results is in progress. The preliminary interpretation of these results shows the presence of a new gold-in-till anomaly near the Sunday Lake deformation zone. Additional interpretation is ongoing to better define the significance of this anomaly.

**4.4 Fleuribleu (Au)**

*Property Description*

The Fleuribleu property consists in one claim block totalling 196 claims (10,880 hectares) as at September 30, 2023. It covers, over a strike length of more than 15 kilometres, the interpreted eastward extension of the Sunday Lake Fault, approximately 40 kilometres east of the new Wallbridge discovery. The Fleuribleu property covers a major contact zone between the Manthet and Brouillan-Fenelon groups, marked by a series of electromagnetic Input anomalies.

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*Exploration work on the property*

For Q3-23, Midland had planned a bark sampling program to cover the southern portion of the property where the new magnetic data shows interesting features possibly associated with the Sunday Lake deformation zone. That survey was not completed during Q3-23 and was cancelled because of the forest fires and also considering the one-year extension granted by the government for the claims expiry dates.

**4.5 Gaudet (Au)**, in partnership avec Probe, operated by Probe

*Property Description*

The Gaudet-Fenelon property consists of one claim block totalling 226 claims (12,530 hectares) as at September 30, 2023. The claim block is located less than 5 kilometres south of the Area 51-Fenelon discovery. This claim block is located south of the Sunday Lake Fault and mainly covers a volcano-sedimentary sequence of the Rivière Turgeon Formation, as well as a 10-kilometre-long segment of the Lower Detour Fault.

Some claims are subject to a 1% NSR royalty.

On July 29, 2020, the Corporation signed a joint venture agreement with Probe over the Gaudet and Samson North West properties from the Corporation as well as the Fenelon-Nantel property of Probe. Probe is the operator.

*Exploration work on the property*

An induced polarisation (“IP”) survey was completed during Q2-23. This grid covered an area where biogeochem anomalies were identified in the SE portion of the partnership. A few weak to moderate IP anomalies were identified in the southern portion of the grid, including an interesting one situated at the intersection of the Lower Detour and Sunday Lake faults.

**4.6 Guyberry (Au)**

*Property Description*

The Guyberry property consists of one claim block totaling 51 claims (1,957 hectares) as at September 30, 2023. Since no exploration work are planned in the near future, the property was impaired and written off for \$76 181 during Fiscal 23,

**4.7 Heva (Au)**

*Property Description*

The Heva West block consists of 4 contiguous claims adjacent to the west of the Maritime-Cadillac property, currently a 49% Midland / 51% Agnico Eagle. The Heva East block is located about 4 kilometres to the southeast and consists of 30 contiguous claims largely covering sedimentary rocks of the Cadillac Group just north of the Piché Group. Some claims are subject to a 2% NSR royalty, half of which can be bought back for a payment of \$1,000,000.

*Exploration work on the property*

An IP grid (15 km) with lines at 100 metres spacing started during Q2-23 in the southern portion of the project and the remainder of the grid has been postponed to a later date. At least two anomalies of interest have been detected in areas showing a structural complexity.

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During February 2023, one drill hole was completed to test an IP anomaly identified in the southern portion of the property, closer to the Cadillac Break. This IP anomaly is interpreted at the contact between the Timiskaming conglomerates and the wackes which contain a gold-bearing quartz veins network. Sampling of some of those quartz veins had returned up to 0.23 g/t Au and 0.18 g/t Au in grab samples.

Drill hole HEV-23-06 was completed at a final depth of 223.0 metres. The best results returned 6 gold anomalous values ranging between 0.1 and 0.3 g/t Au over metric widths.

#### **4.8 Jeremie (Au)**

##### *Property Description*

The Jeremie block totals 42 claims (2,173 hectares) as at September 30, 2023 and covers a surface area of approximately 30 square kilometres. It is located approximately 10 kilometres northwest of Wallbridge's new Area 51-Fenelon gold discovery. The Jeremie property covers the northwest contact of the Jeremie Pluton. In October 2019, Wallbridge reported drill results from its Fenelon property (Tabasco zone), with grades reaching 27.0 g/t Au over 38.39 metres, 20.89 g/t Au over 8.54 metres, and 17.58 g/t Au over 11.04 metres (*see press release by Wallbridge dated October 21, 2019*).

Since no exploration work are planned in the near future, the property was written off for \$135,855 in Fiscal 23.

##### *Exploration work on the property*

A second bark survey was planned for Q2-23. This survey was not completed and has been cancelled because of the forest fires and the one year extension (claims expiry dates) by the government.

#### **4.9 Jouvex (Au)**

##### *Property Description*

The Jouvex property is located about 50 kilometres to the southwest of Matagami and as at September 30, 2023 is composed of 253 claims covering an area of approximately 14,117 hectares. Some claims of the Casault property 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 property 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.

Some claims were dropped therefore the Corporation impaired partially for \$52,089 the property cost in Q2-23.

##### *Exploration work on the property*

In Fiscal 23, Midland is planning a follow-up on a new bark anomaly as well as other local surveys to cover other areas of interest on the property. This survey was not completed and has been cancelled because of the forest fires during the summer of 2023.

A high-resolution magnetic survey was completed, covering the southern half of the property. This survey identified a few weak and isolated magnetic anomalies that could be caused by syenite intrusions.

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**4.10 La Peltrie (Au), option agreement with Probe, operated by Probe**

*Property Description*

As at September 2023, the La Peltrie property comprises 483 claims covering a surface area of about 26,112 hectares and encompasses possible subsidiary faults to the south of the regional Lower Detour Fault over a distance of more than 10 kilometres. Some claims are subject to a 1% Gross Metal royalty.

On July 9, 2020, the Corporation signed an option agreement with Probe whereby Probe may earn a 50% interest in the La Peltrie property in consideration of the following:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	50,000	50,000 <sup>1)</sup>	-	-
On or before July 31, 2021	55,000	55,000 <sup>2)</sup>	500,000	500,000
On or before July 31, 2022	70,000	70,000 <sup>3)</sup>	700,000	700,000
On or before July 31, 2023	100,000	100,000 <sup>4)</sup>	1,200,000	1,200,000
On or before July 31, 2024	125,000	-	1,100,000	867,911
<b>Total</b>	<b>400,000</b>	<b>275,000</b>	<b>3,500,000</b>	<b>3,267,911</b>

- 1) In July 2020, the Corporation received 37,879 shares of Probe based on a 5 days VWAP calculation to total \$50,000.
- 2) In July 2021, the Corporation received 32,544 shares of Probe based on a 5 days VWAP calculation to total \$55,000.
- 3) In July 2022, the Corporation received \$70,000 in cash.
- 4) In July 2023, the Corporation received 61,087 shares of Probe based on a 5 days VWAP calculation to total \$100,000.

Probe is the operator.

After exercising this first option to earn a 50% interest, Probe may increase its interest to 65% (the second option) over a period of 2 years in consideration of exploration expenditures or cash payment totalling \$5,000,000.

Some claims of the La Peltrie property 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.

The Wawagasic property (57 claims as of September 30, 2023, covering 3,162 hectares) is included in the Probe option agreement.

*Exploration work on the property*

A drilling program was completed by Probe in September 2022 to test the best IP anomalies combined with biogeochem anomalies. There was a total of 7 drill holes completed, totalling 2,388 metres.

In December 2022, the discovery of a large copper-gold-silver-molybdenum (“Cu-Au-Ag-Mo”) mineralized system was announced. The mineralization intersected in hole LAP-22-012 was present throughout the drill hole, defining a wider Cu-Au-Ag-Mo intercept grading 0.21% CuEq over 345.5 metres from surface, with potential to continue laterally and at depth. Midland and Probe are currently planning the next phase of work including an IP survey, a spring prospecting program, and a summer 2,500 metres drilling program with a focus on testing new IP anomalies strategically positioned to the north and west of discovery hole LAP-22-012.

A drilling program consisting in eight (8) holes totalling 2,700 metres was completed during September 2023. Final and complete results are pending and are expected for Q1-24.

**4.11 Lac Esther (Au)**



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### *Property Description*

The Lac Esther property is located less than 30 kilometres to the north of the municipality of Lebel-sur-Quévillon, in Quebec and as at September 30, 2023 comprises 287 claims (16,094 hectares). This important land position covers a strategic area straddling the southern contact of the syntectonic Waswanipi-South Pluton and the junction between two major regional faults, namely the Casa Berardi and Lamarck regional fault zones. These fault zones host several historical gold showings and deposits located near the Lac Esther property.

Some claims of the Lac Esther property are subject to two 2% NSR royalty of which 1% can be bought back in tranches for an aggregate of \$2,000,000.

Some claims were dropped therefore the Corporation impaired partially for \$3,759 (\$2,335 in Fiscal 22) the exploration property cost.

### *Exploration work on the property*

A small grid and an IP survey totalling 15 km were completed in the western portion of the Lac Esther property. The IP final report has been received and some IP anomalies were identified near surface with a thin overburden cover, namely on lines 4+00N and 5+00N. A short field program could take place in Summer 2024.

## **4.12 Laflamme (Au-Ni-Cu-PGE), in partnership with Abcourt Mines Inc. and operated by Midland**

### *Property Description*

The Laflamme property is located about 25 kilometres west of Lebel-sur-Quévillon in the Abitibi region. As at September 30, 2023, the Laflamme property consists of a total of 456 claims covering an area of approximately 24,500 hectares and Midland holds 82.3% of the property.

On August 17, 2009, the Corporation signed an agreement with Aurbec Mines Inc. ("Aurbec"), (previously a subsidiary of North American Palladium Ltd.) and on June 17, 2016, Abcourt Mines Inc. ("Abcourt") acquired the interest in the property following the bankruptcy of Aurbec. Abcourt does not contribute to the exploration programs and is therefore being diluted.

Some claims were dropped therefore the Corporation impaired partially for \$35,053 the property cost in Fiscal 23.

### *Exploration work on the property*

A major drilling program, totalling 10,000 metres, was launched in December 2022 in the Abitibi region on five projects targeted under the ADDP program. A total of 40 new exploration targets will be tested on the Laflamme, Patris, Heva, Adam and Lewis projects. This drilling program will also test the best targets located near high-grade gold floats discovered on the Laflamme project that returned up to 28.7 g/t Au and 6.0 g/t Au in grab samples. Recently, new gold-bearing shear zones grading up to 18.9 g/t Au and 5.7 g/t Au (grab samples) were discovered north of these gold-bearing floats (see Midland's press release dated November 29, 2022). This program will also test Ni-Cu-Pt-Pd targets identified using the 3D model proximal to the Copernick zone which returned 0.45% Ni, 0.33% Cu, 0.15 g/t Pt and 0.24 g/t Pd over 42.6 metres in drill hole LAF-16-38. A minimum of 4,000 metres is planned on the Laflamme property.

During Q3-23, a first phase (phase 1) of drilling including 10 holes totalling 1,904 metres was completed in follow-up on the high-grade floats and shear zones discovery area.

The best results of phase 1 returned:

- 2.44 g/t Au over 1.0 m (LAF-23-60 ; 158.0 to 159.0 m);
- 0.61 g/t Au over 2.0 m (LAF-23-62 ; 50.6 to 52.6 m);

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- 0.52 g/t Au over 1.5 m (LAF-23-60 ; 191.0 to 192.0 m);
- 0.29 g/t Au over 2.3 m (LAF-23-56 ; 40.0 to 42.3 m).
- 

Furthermore, during this phase 1, one drill hole was completed, and one was abandoned on the Copernick Ni-Cu zone, for a total of 387.0 metres. A mineralized zone was intersected and returned 0.36% Ni, 0.25% Cu over 4.0 metres between 270.0 and 274.0 metres.

During Q3-23, a second phase of drilling (phase 2) was completed to follow-up on the phase 1 results in the floats and shear zones discovery area. A total of five new drill holes and three holes extensions totalling 1,217.0 metres were completed during that second phase.

The best result of phase 2 was obtained in hole LAF-23-67 drilled about 50 metres north of the Shear Zone East that had returned 18.9 g/t Au in a grab sample. An interval returned 2.8 g/t Au over 0.8 metre between 34.40 and 35.20 metres. In addition, the first 10 metres of this hole is anomalous in gold with an average of 25 ppb Au.

Moreover, a re-analysis of a value of 1.6 g/t Au over 1.0 metre in hole LAF-23-69 between 80 m and 81 m was confirmed by ALS. Photos of that zone show an alteration in biotite with 1% pyrite in a Qtz-Cb shear zone.

Hole LAF-23-61EXT returned two anomalous values of 0.44 g/t Au over 1.0 m (298.0 à 299.0 m) and 0.89 g/t Au over 1.4 m (300.0 to 301.4 m). These two values could correspond to gold values that were obtained higher on this section and that had returned 2.44 g/t Au over 1.0 m and 0.52 g/t Au over 1.5 m.

### 4.13 Lewis (Au)

#### *Property Description*

As of September 30, 2023, the Lewis property consists of 154 claims (8,589 hectares) and covers a strategic position characterized by a regional flexure proximal to the Guercheville-Opawica deformation zone. The Lewis property is located approximately 60 kilometres northwest of the Nelligan deposit, jointly held by Iamgold Corporation (75%) and Vanstar Mining Resources (25%).

#### *Exploration work on the property*

A drilling program of 1,500 metres is currently in preparation under the ADDP drilling program. This program will test the two known showings (Golden Nest and Red Giant) as well as other IP targets and soil anomalies. This program was scheduled to begin during Q2-23. Drilling on Lewis is contingent on results and priorities on other projects. This program is now planned for the winter of 2024 in order to access the swamps.

Few days of prospecting were completed during Q4-23, however, no significant gold results were obtained.

**4.14 Maritime-Cadillac (Au)** in partnership with Agnico Eagle and operated by Agnico Eagle

*Property Description*

The property is located in the Abitibi region in Quebec, along the Cadillac-Larder break and is composed of 7 claims. The Corporation holds 49% of the Maritime-Cadillac property located south of the Lapa mine. This property is subject to a 2% NSR royalty of which half can be bought back for a payment of \$1,000,000.

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 are shared 51% Agnico Eagle - 49% the Corporation.

*Exploration work on the property*

Midland is reviewing the 3D-Model in order to propose a drilling program aiming to test the best remaining openings found in the vicinity of the best gold intersections.

**4.15 Mistaouac (Au)**

*Property Description*

The Mistaouac property is located about 75 kilometres to the south-west of Matagami in Abitibi, Quebec and consists of 125 claims (6,972 hectares) as at September 30, 2023. This bloc is located less than 5 kilometres to the northeast of the Estrades Zn-Cu-Au deposit to the east of Casa Berardi.

Some claims were dropped therefore the Corporation impaired partially for \$12,404 in Fiscal 2023.

*Exploration work on the property*

Midland completed a high-resolution magnetic survey in order to renew the eastern half of the project where new structural targets were identified. Final results and interpretation of this survey have been received and new structural targets have been identified in proximity with an important E-W oriented structure.

**4.16 Molion (Li)**

*Property Description*

The Molion property is located about 60 kilometres northwest of Val-d'Or in Abitibi, Quebec and consists of 144 claims (7,739 hectares) as at September 30, 2023.

*Exploration work on the property*

No exploration work conducted on Molion during Fiscal 23. Midland is currently looking for a new partner for this property.

#### **4.17 Nickel Square (Ni-Cu)**

##### *Property Description*

The Nickel Square property extends over a total surface area of approximately 300 square kilometres with strong yet underexplored potential for Ni-Cu-Co-PGE. It covers the Maizerest Intrusions, a series of ultramafic intrusions that are locally associated with untested historical electromagnetic (INPUT) conductors. In the north part of the Nickel Square property, a historical grab sample collected by the MERN in ultramafic rocks of the Maizerest with minor sulphide mineralization yielded anomalous values of 0.20% Ni, 450 ppm Cu, 110 ppm Co, 117 ppb Pd and 68 ppb Pt. As of September 30, 2023, the property consists of 450 claims covering 25 061 hectares.

##### *Exploration work on the property*

A compilation of historical magnetic and electromagnetic surveys was completed, and several isolated EM targets were identified and associated with ultramafic rocks. During Q2-24, some 4-5 grids will be completed with ground EM geophysics in order to cover and validate these conductors. A field follow-up on electromagnetic ("EM") targets was planned in 2023 but could not be carried out because of the forest fires and the bad condition of the access roads.

#### **4.18 Nomans (Au)**

##### *Property Description*

As at September 30, 2023, the Nomans property consists of 776 claims (42,062 hectares) located approximately 60 kilometres east of the town of Matagami, Abitibi, Quebec, and adjacent to the west of the Chebistuan property held by Kenorland Minerals Ltd. ("Kenorland") and currently optioned to Newmont Corporation.

This gold project consolidates a strategic position acquired by Midland along the possible extension of the Sunday Lake Fault in northern Abitibi, approximately 130 kilometres east of the Fenelon and Tabasco deposits held by Wallbridge.

##### *Exploration work on the property*

The survey completed on Nomans consisted of a total of 187 till samples (1 kg each) collected approximately every 300 to 500 metres along grid lines spaced 2 km apart and oriented NW-SE, i.e., perpendicular to the glacial flow direction.

Based on analytical results of the fine fraction (<63 microns), four significant gold signals were identified, ranging from 11 ppb to 31 ppb Au. In plan view, these anomalies form a narrow corridor about 20 kilometres long, parallel to the dominant SSW ice flow direction. This alignment of gold anomalies is interpreted as a ribbon-shaped dispersal train with the highest value, at 31 ppb Au, located at the northern end of the glacial flow. This gold value is also associated with an anomalous sulfur value, suggesting the possibility of a local source.

Another sample from this survey showed a multi-element anomaly with elevated Li-Cs-Ba-K-Rb values indicating the presence of complex pegmatite in the north part of the property.

A second review and evaluation of the till results over the entire survey is being carried out by a consultant geologist, including the potential for lithium.

Following this evaluation and interpretation, a new nickel in till anomaly has been identified in the western portion of the claims block. A high-resolution magnetic survey was carried out during Q3-23 in order to cover the most promising areas based on till results.

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Following the announcement by Kenorland of a new gold discovery associated with a syenite, a high-resolution magnetic survey was completed during Q3-23 in the eastern portion of the property. This area will also be covered by a till survey (1 kg) during Q4-23 aiming to identify new exploration targets. Results of this till survey were received and led to the identification of five (5) new gold-in-till anomalies. A prospecting follow-up will be done during Fiscal 24.

### 4.19 Noyelles (Au)

#### *Property Description*

The Noyelles property is located approximately 20 kilometres south of the town of Matagami, in Abitibi, Quebec and consists of 153 claims (8,553 hectares) as at September 30, 2023. This property provides control over more than 30 kilometres of structures with strong gold potential, within and proximal to the northern contact of the sedimentary Taibi Group along the Casa Berardi deformation zone.

Some claims were dropped therefore the Corporation impaired partially for \$3,250 the property cost in Q2-23.

#### *Exploration work on the property*

Results from the bark sampling program were received in Q1-23. In the west part of the project, a trend can be seen with regional anomalies in Sb and Te. Following this survey, an area was selected to the west of a small intrusion (pressure shadow) and will be covered with a geophysics IP survey during Fiscal 24.

### 4.20 Patris (Au)

#### *Property Description*

The wholly owned Patris property comprises 299 claims (11,742 hectares) as at September 30, 2023, covering a surface area of about 117 square kilometres, located less than 10 kilometres northwest of the prolific Doyon/Westwood-Bousquet-La Ronde gold mining camp. The Patris property offers excellent gold potential as it covers the Manneville Fault over more than 8 kilometres and the La Pause Fault over more than 10 kilometres, both recognized as subsidiary faults to the well-known Destor-Porcupine Fault Zone. 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.

See section 2.5 for details on the option agreement with Barrick.

#### *Exploration work on the property*

The ADDP drilling program on Patris was planning 15 drillholes totalling approximately 3,000 metres. Most of the targets consists in new IP targets located along the favorable gold-bearing structure that hosts the Gadoury, Patris and Lac Bellot West showings. Target also includes the wide alteration zone (100m) identified in the eastern extension of the Fayolle deposit.

During Q3-23, 11 holes were completed for a total of 2,281 metres. These holes completed in the southeastern portion of the property intersected highly deformed mafic and ultramafic rocks of the Malartic Group cut by numerous altered (Hem-Sil) felsic dykes carrying various amounts of pyrite (up-to 1-2%). In the northern part, strongly altered and sheared ultramafic rocks and syenite dykes were intersected.

The best results came from a 20 metres interval in hole PAT-23-26 where gold anomalous values were intersected between 569 and 595 metres. The best results in that interval returned 0.42 g/t Au over 1.07 m and 0.41 g/t Au over 1.43 m.

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A heliborne electromagnetic VTEM survey was completed in order to cover the whole Patris property. The resistivity component will be used to map the overburden in preparation for a Sonic till sampling program to take place during the winter of 2024.

**4.21 Samson (Au)**

*Property Description*

As at September 30, 2023, the Samson property consists of 275 claims covering a surface area of about 15,263 hectares about 50 kilometres west of the town of Matagami, in Abitibi.

Some claims were dropped therefore the Corporation impaired partially for \$12,500 the property cost in Fiscal 22.

*Exploration work on the property*

During Q3-23, a geophysical IP survey was completed immediately south of the IP Grid that was completed on the Gaudet-Fenelon JV with Probe. A few weak to moderate IP anomalies were identified in the southern portion of the grid, including an interesting one situated at the intersection of the Lower Detour and Sunday Lake faults.

**4.22 Turgeon (Au)**

*Property Description*

All the Turgeon property claims expired and therefore the property was written off for \$202,562 in Fiscal 23 (\$512 property cost and \$202,050 exploration expenses). Some claims were dropped in Fiscal 22 and the Corporation had impaired partially for \$4,346 the property cost.

**4.23 Valmond (Au)**

*Property Description*

The Corporation acquired claims by map staking about 50 kilometres to the west of the town of Matagami, Abitibi. As at September 30, 2023, this property consists in 43 claims covering an area of approximately 2,394 hectares.

*Exploration work on the property*

No exploration work on the ground was conducted on Valmond during Fiscal 23. Midland is currently looking for a new partner for this property.

**4.24 Veza (Au)**

*Property Description*

The Veza property is wholly owned by Midland and is located 3 kilometres west of the Veza mine. As at September 30, 2023, it consists of 6 claims (2 blocks of 3 claims) covering a surface area of about 335 hectares in the Abitibi region of Quebec.

*Exploration work on the property*

No exploration work conducted on Veza during Fiscal 23. Midland is currently looking for a new partner for this property.

**GRENVILLE-APPALACHES**

#### **4.25 Gatineau (Zn)**

##### *Property Description*

The Gatineau property is a land position for zinc, including as at September 30, 2023, 256 claims (15,104 hectares) distributed in the Gatineau Area, approximately 200 kilometres northwest of the city of Montreal.

On February 20, 2020, the Corporation signed a strategic alliance with SOQUEM, in which SOQUEM transferred to the Corporation its 50% interest in the Casault and Jouvex properties in exchange for:

- A 1% NSR royalty; Midland 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; and
- 50% undivided interest in a joint venture relating to seven existing mining properties forming the Gatineau project.

On April 6, 2022, the Corporation received from SOQUEM a notice to terminate the Alliance contract signed on April 13, 2021, on the Gatineau property.

Since no exploration work are planned in the near future, the property was written off for \$343,302 in Fiscal 23 (\$24,494 of property cost and \$318,808 of exploration expenses) in Fiscal 23. Some claims were dropped in Fiscal 22 and the Corporation had impaired partially for \$3,382 the property cost.

#### **4.26 Tête Nord (Ni-Cu), option agreement with Rio Tinto, operated by Rio Tinto**

##### *Property Description*

The Corporation assembled the Tête Nord property through map staking and acquisition. This property is located about 15 km east of the town of La Tuque. Some claims are subject to 2% NSR royalties that can be bought back in tranches for an aggregate of \$6,000,000. In addition, as part of a prospector agreement, the Corporation agreed to make a \$25,000 payment if a resources estimate is completed on the bloc acquired or on the 40 contiguous claims owned by the Corporation.

56 claims were acquired by purchase on November 13th, 2020, from Les Ressources Tectonic Inc. for \$100,000 of which \$30,000 is payable upon signature, \$35,000 on the first anniversary and \$35,000 on the second anniversary; these payments were completed before November 13, 2022. These 56 claims are subject to 2% NSR royalty, the Corporation can buy it back the royalty for \$1,500,000 per 1.0% tranche for a total of \$3,000,000.

In March 2021, the Corporation signed four agreements with different prospectors whereby it acquired blocs of claim for cash payments totalling \$41,050. The Corporation issued three 2% NSR royalties to the prospectors. The Corporation may, at any time, buy back each royalty, in all or in part, by making a cash payment of \$2,000,000 per royalty, \$1,000,000 per tranche of 1% royalty. For the fourth agreement, the Corporation agreed to make a \$25,000 payment if a resources estimate is completed on the bloc acquired or on the 40 contiguous claims owned by the Corporation.

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Rio Tinto may earn an initial 50% interest (First Option) in the Tête Nord property over a period of four years, by fulfilling the following conditions:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	100,000	100,000	-	-
On or before November 1, 2022	-	-	500,000	500,000
On or before December 1, 2022	100,000	100,000	-	-
On or before December 1, 2023	100,000 <sup>1)</sup>	-	-	-
On or before December 1, 2024	100,000	-	-	-
On or before December 1, 2025	100,000	-	3,500,000	3,500,000
<b>Total</b>	<b>500,000</b>	<b>200,000</b>	<b>4,000,000</b>	<b>4,000,000</b>

1) \$100,000 received before December 1, 2023.

After earning an initial 50% interest, RTEC may elect to increase its interest to 70% (Second Option) over a period of four years by fulfilling the following conditions:

- Exploration expenditures totalling up to \$10,000,000 and cash payments totalling \$500,000, gaining interest on the following schedule:
  - An additional 1% interest (for a total of 51%) by funding an additional \$250,000 of exploration expenditures;
  - An additional 1% interest for each additional \$500,000 of exploration expenditures (for a total of up to 69%); and
  - An additional 1% (for a total of 70%) by funding an additional \$750,000 of exploration expenditures.

RTEC retains the right to act as operator for the First and the Second Option; or at its discretion elects to have the Corporation act as operator on RTEC's behalf. RTEC chose to be the operator for the first year of the option agreement.

As of September 30, 2023, the Tête Nord Property consists of 1,385 claims (79,637 hectares) under option with RTEC. In addition, 160 claims in the area were assessed without interest by RTEC and the Corporation and excluded from the agreement; the Corporation impaired the \$9,940 property cost of those claims in Fiscal 2023.

*Exploration work on the property*

The VTEM survey totalled 6,635-line kilometres and covered the majority of the optioned claim blocks, with flight lines spaced 100 metres apart and locally 50 metres apart on more detailed grids. Following the review of the preliminary results, a new block of 39 claims (Bonhomme block) was map-designated approximately 12 kilometres north of the former Lac Edouard (Ni-Cu) mine. This claim block will be included in the partnership between Rio Tinto and Midland.

Preliminary results from the VTEM survey led to the identification of several new conductors, strategically positioned proximal to or along the extensions of known Ni-Cu occurrences such as the Rochette, Savane, Lac Matte and Ghyslaine showings, as well as on the new Bonhomme claim block.

RTEC geology crews were very active in the field during the summer of 2022, prospecting and mapping prospective areas where new VTEM conductors were identified. The Rochette showing returned 0.86% Ni and 0.16% Cu (Tenor of 4.26% Ni calculated at 100% sulfides) in a grab sample. The Lac Matte showing returned a grab sample grading 0.36% Ni and 0.18% Cu (tenor of 6.96% Ni calculated at 100% sulfides).

Prospecting in the Bonhomme area north of Lac Edouard former mine led to the identification of several anomalous values in Ni-Cu in ultramafic intrusions. This area is also characterized by the presence of several untested VTEM conductors that will be tested during this drilling program.



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During this initial drilling program, 16 drill holes totalling 3,450 metres were completed to test a series of VTEM targets identified during the 2022 survey.

Drill hole MDLD0015, which was designed to test a VTEM anomaly, and an off-hole anomaly detected in drill hole MDLD0009, intersected, from 14 metres to 80 metres downhole depth, several layers with Ni-Cu mineralization within altered gabbro horizons. From 20.11 to 22.79 metres, the drill hole intersected 1.10% Ni and 0.71% Cu over 2.68 metres. A little further down, from 33.02 to 43.39 metres, a mineralized interval graded 0.45% Ni and 0.18% Cu over 10.37 metres. These mineralized gabbro zones generally exhibit net-textured and disseminated sulphides and alternate with metre-scale barren gabbro layers.

This new Ni-Cu mineralized Santos zone is regionally well located along a North-South structure 8 km North of the former Lac Edward Ni-Cu mine.

The results of electromagnetic surveys conducted on surface and in drill hole indicate the presence of an unexplained conductor plunging to the southeast. The Santos zone thus remains entirely open in that direction. A geophysical gravity survey was completed and has identified new targets in this area. Three (3) additional drillholes at Santos were completed in July for a total of 895.0 metres.

Hole MDLD0018 was drilled in July 2023 on the Santos zone, approximately 50 metres west of the discovery hole. After going through 11.66 metres of overburden, drill hole MDLD0018 intersected a mineralized zone grading 0.33% Ni and 0.12% Cu over 39.73 metres, from 11.66 to 51.39 metres downhole depth (see press release by Midland dated October 12, 2023). The interval exhibits impressive magmatic breccias with decimetre-scale semi-massive sulphide zones, indicative of a dynamic magmatic system at Santos. The two drill holes, MDLD0015 and MDLD0018, began directly in the mineralized zone; the total thickness of this zone has yet to be determined and the zone remains open in all directions.

A new drilling program targeting the Santos zone consists of four (4) drill holes totalling 1,150 metres and is mainly designed to test new conductors identified at depth on the Santos zone following downhole and ground-based electromagnetic surveys.

A very similar target as Santos, occurs 770m to the south. The Santos South target consists of a subtle airborne EM located in a very similar fold structure as the Santos occurrence. One drill hole totaling 300m will be drilled to test this target.

Additional targets were also selected for another phase of drill testing (5-7 drill holes) in early 2024, in the Bonhomme and Cutaway-East areas.

#### **Ni-Cu intercepts on Savane**

In the vicinity of the Savane showing, drill hole MDLD0001 intersected an interval grading 1.07% Ni and 0.13% Cu over 0.78 metre, from 101.87 to 102.65 metres, associated with a mineralized pyroxenite horizon. Several other metre-scale intervals also yielded anomalous Ni-Cu values in drill holes MDLD0001 and MDLD0002.

Following geochemical treatment, the majority of Savane pyroxenites show geochemical affinity with mafic-ultramafic cumulate rocks based on Cr, Ni and Ti values, a strong indication of a dynamic conduit system and promising for Ni-Cu mineralisation.

#### **4.27 Weedon (Cu-Zn-Au)**

##### *Property Description*

This property is located in the Eastern Townships, about 120 km south of Quebec City and as at September 30, 2023 is comprised of 60 claims covering an approximate area of 4,189 hectares. Some claims are subject to NSR royalties varying from 0.5% to 1.5% that can be bought back in tranches for an aggregate of \$3,000,000.

Some claims were dropped therefore the Corporation impaired partially for \$7,994 in Fiscal 2023 and for \$6,484 in Fiscal 2022 of the exploration property cost.

##### *Exploration work on the property*

A till survey was completed on a small grid to cover a possible volcanic enclave with the Aylmer Pluton. This survey highlighted a base metal (Zn-Cu-Pb) anomalous area directly over an untested VTEM axis. Additional prospecting was completed during Q4-23, but no base metals anomaly was identified in bedrock.

An airborne geophysics survey (gravity) is being planned for Q1-24 and will cover the whole property.

#### **JAMES BAY**

#### **4.28 Royalties held by Altius Resources Inc. and its affiliate Altius Royalties Corp. (“Altius”)**

On February 10, 2017, the Corporation signed a letter of intent creating a strategic alliance with Altius (the “Altius Alliance”). On February 12, 2019, the parties jointly decided to terminate the Altius Alliance. The designated projects as per the Altius Alliance (Elrond, Gondor, Helms Deep, Isengard, Minas Tirith, Moria, Shire, Mythril and Fangorn) maintain their 1% NSR royalty in favor of Altius, on the claims that were active at the time of their designation, as reiterated in the Royalty agreements signed on June 12 and 19, 2023.

#### **4.29 Mythril right of first offer (“ROFO”) held by BHP**

Pursuant to the April 17, 2019, investment agreement with BHP, BHP has the right of first offer on the Mythril project in the event the Corporation sought to divest all or part of its interest. On May 8, 2023, amendment to this investment agreement was signed whereby the claims that are part of the RTEC option agreement on James Bay Lithium are no longer subject to the Mythril ROFO.

#### **4.30 BJ Gold (Au)**

##### *Property Description*

The BJ Gold property was split in 3 distinct projects, Galinée, Lasalle and Rogue. Some claims were dropped therefore the Corporation impaired partially for \$90,126 in Fiscal 22 the property cost.

#### **4.31 BJ Eleonore (Au)**

##### *Property Description*

The Eleonore new property is divided in three distinct blocks with two of them within 25 kilometres from the Eleonore gold discovery of Newmont and one southeast 30 km further along strike. It encompasses a group of 184 claims covering an area of approximately 9,644 hectares as at September 30, 2023.

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Some claims were dropped therefore the Corporation impaired partially for \$65,614 the property cost in Fiscal 22.

*Exploration work on the property*

No exploration work conducted on BJ Eleonore during Fiscal 23. A \$60,000 prospecting campaign is scheduled in Fiscal 24.

**4.32 BJ Lithium**, option agreement with RTEC, operated by RTEC.

*Property Descriptions*

See section 2.5 for details on the RTEC option agreement.

Galinée

The Galinée project is located approximately 4 kilometres east of the promising Adina lithium showing held by Winsome Resources Limited ("Winsome"), who recently announced drill intercepts reaching 1.34% Li<sub>2</sub>O over 107.6 metres (see press release by Winsome dated January 6, 2023). Recent drilling results (DDH AD-22-043) by Winsome reported that spodumene bearing pegmatite were intersected about 1.6 kilometres north-east of the discovery showing and about 1.0 kilometres north-east of previous reported intersections. Drillhole AD-22-043 intersected 17.1 metres of spodumene bearing pegmatite (see press release by Winsome dated January 25, 2023).

This Adina showing is located at the contact between amphibolites of the Trieste Formation to the south and felsic intrusives to the north. This contact is marked by a major structure that most likely controlled the emplacement of pegmatites on the Adina showing. This same highly favourable contact is present on Midland's Galinée property over more than 7 kilometres and has never been explored for lithium in the past. This strongly suggests that the Galinée project shows excellent potential for lithium exploration.

The Galinée project consists of 54 claims covering a total of 28 square kilometres. Historically, this project was worked for its gold potential and has never been explored for its excellent lithium potential.

Komo

The Komo project is located about 20 kilometres west of the James Bay lithium deposit (Allkem). It is located at the contact between the La Grande and Nemiscau geological subprovinces, the same major geological structure that hosts the James Bay lithium deposit and is likely critical for its genesis. Prospecting for gold in 2022 uncovered a Li-Ta-Be pegmatite outcrop that returned 0.04% Li<sub>2</sub>O, 159 ppm Ta, 396 ppm Be in a grab sample. These strongly anomalous Li-Ta-Be values and the very favourable geological setting highlight the strong lithium potential of the Komo project.

Mythril East

The Mythril East claim block is located 7 kilometres northeast and directly on strike with the Corvette pegmatite field (held by Patriot). On other claim blocks, compilation of historical work by Midland revealed strong evidence of Li-Be-Ta pegmatite potential. While exploring for copper in 2022, a pegmatite outcrop returned two strongly anomalous lithium values in grab samples: 0.12% Li<sub>2</sub>O and 0.04% Li<sub>2</sub>O. Grab samples of pegmatitic boulders in other claim blocks in the area also returned highly anomalous Li-Ta-Sn values: 0.03% Li<sub>2</sub>O, 23 ppm Ta, 50 ppm Sn; 0.02% Li<sub>2</sub>O, 72 ppm Ta. None of these anomalies have been followed up. These also suggest a favourable exploration potential for lithium on the Mythril East project, which has never been explored for lithium.

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Shire

The Shire project is located within amphibolites of the Lac des Montagnes geological Group, which hosts the Whabouchi lithium deposit about 60 kilometres west of Shire. The Whabouchi lithium deposit is characterized by a pegmatite intrusion assigned to the Senay granitic Suite that also intrudes amphibolites of the Lac des Montagnes Group. In 2021, the Quebec government mapped at least 6 granitic intrusions of the same highly favourable Senay granitic Suite on the Shire project. None of the favourable pegmatitic intrusions have been assayed for lithium.

The Shire project is also located at the boundary between the La Grande and Opatica geological subprovinces, a major structure that could be critical for the emplacement of lithium-bearing pegmatites in the area. Historical exploration work by Midland for base metals reported a tourmaline-garnet-bearing pegmatite outcrop that returned a strong anomaly of 399 ppm Be (grab sample), not assayed for Li, Ta, Cs or Rb. These very favourable geological characteristics and strong hints of metal-bearing pegmatites on the project suggest an important lithium exploration potential.

Other information on the Lithium Properties

Lithium Properties	Claims Number	Area (hectares)
Chisaayuu	303	15,201
Corvette	319	16,425
Galinée	54	2,782
Komo	674	34,470
Moria	166	8,775
Mythril-Est	108	5,518
Picard	65	3,448
Shire	105	5,583
Sulu	175	9,440
Warp	112	5,984
<b>Total</b>	<b>2 081</b>	<b>107,626</b>

- Moria; some claims are subject to a 1% NSR royalty.
- Shire: some claims are subject to a 1% NSR royalty. The Corporation impaired partially the property for the claims that were dropped for \$23,774 in Fiscal 22.

*Exploration work on the property*

An imagery and LiDAR surveys were completed during Q4-24 and are covering some properties of the agreement with RTEC, including the Komo, Galinée, Corvette, Mythril East and Chisaayuu properties. These surveys were delayed because of the wildfires access restrictions in James Bay during the summer of 2023.

Prospecting was conducted during Q4-23 led to the discovery of new spodumene-bearing pegmatites on the Galinée property, about 8 kilometres east of the Adina lithium deposit held by Winsome Resources.

Assay results have been received for the 26 samples collected at the Iceberg lithium discovery. High-grade grab samples returned up to 7.2 % Li<sub>2</sub>O, including 6 samples grading between 5.0 % Li<sub>2</sub>O and 7.2 % Li<sub>2</sub>O, 6 samples grading between 3.0 % Li<sub>2</sub>O and 5.0 % Li<sub>2</sub>O, and 3 other samples grading between 1 % Li<sub>2</sub>O and 3 % Li<sub>2</sub>O. The other samples returned anomalous lithium values below 1% Li<sub>2</sub>O.

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The Iceberg discovery was identified on several outcrops by field crews after a few days of prospecting. A combination of ultraviolet (UV) lamp and a LIBS (Laser-Induced Breakdown Spectroscopy) analyzer were used to confidently identify spodumene, including some crystals reaching up to 60 centimetres in length (see press release by Midland dated September 19, 2023). The Iceberg discovery consists of a series of spodumene exposures outcrop, now over a 600m east-west strike intermixed with amphibolite and granodiorite. Testing subtle local relief features in areas covered with vegetation and soil resulted in locating two new coarse spodumene-bearing pegmatite outcrops, located 500 and 900 metres south and southwest from the Iceberg showing. Assays are pending.

The Galinée project is located approximately 4 kilometres due east of the Adina showing held by Winsome. This showing is located at the contact between amphibolites of the Trieste Formation to the south and felsic intrusives to the north. This contact is marked by a major structure that likely controlled the emplacement of pegmatites at the Adina showing. This new discovery, on Galinée, of spodumene-bearing pegmatite dykes was made along the same highly favourable contact zone, which is present on the property over more than 7 kilometres and which has never been explored for lithium in the past. This first exploration program included prospecting, geological mapping as well as a high-resolution LiDAR survey. Following the discovery, a high-resolution airborne magnetic and radiometric survey was completed. The LiDAR, imagery, magnetic and radiometric data will hopefully guide future work to expand the footprint of spodumene outcrops on Galinée. A maiden drilling campaign is currently being planned on Galinée.

Initial exploration work on Chisaayuu, Corvette and Mythril East blocks was successful in identifying several pegmatites. No lithium phases were observed so far, but geochemistry of these pegmatites is underway to determine their full potential and for further vectoring.

Additional results are pending for the prospecting works completed during Q4-24 on the Komo property.

### 4.33 Elrond (Au)

#### *Property Description*

The Elrond property consists as at September 30, 2023 of 61 claims (3,162 hectares) explored by Midland and 136 claims (7,014 hectares) under option with Brunswick (see section 2.5). Some claims are subject to a 1% NSR royalty.

See section 2.3 for details on the Brunswick transaction.

#### *Exploration work on the property*

No exploration work conducted on Elrond (West part – Not optioned to Brunswick) during Fiscal 23.

### 4.34 Fangorn (Au)

#### *Property Description*

The Fangorn property consists as at September 30, 2023 of 16 contiguous claims covering a total surface area of 816 hectares. Some claims are subject to a 1% NSR royalty.

#### *Exploration work on the property*

No exploration work conducted on Fangorn during Fiscal 23. Midland is currently looking for a new partner for this property.

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**4.35 Helm’s Deep (Au)**

*Property Description*

The Helm’s Deep property consists as at September 30, 2023 of 70 contiguous claims covering a total surface area of 3,699 hectares. Some claims are subject to a 1% NSR royalty.

*Exploration work on the property*

No exploration work conducted on Helm’s Deep during Fiscal 23. Midland is currently looking for a new partner for this property.

**4.36 JV Eleonore (Au), in partnership with EEM, operated by EEM**

*Property Description*

On June 13, 2016, a joint-venture agreement (50%-50%) was signed and is now held by EEM whereby EEM and the Corporation cooperate and combine their efforts to explore the JV Eleonore. The property is located 12 kilometres southeast and northwest of Newmont’s Eleonore deposit. EEM is the operator. Each partner obtained a 0.5% NSR royalty as a mutual consideration for the constitution of the joint venture.

The property is located 12 kilometres southeast and northwest of Newmont’s Eleonore deposit. As at September 30, 2023, the property regroups several properties for a total of 463 claims covering a surface area of about 24,248 hectares. The Corporation impaired partially the property for the claims that were dropped for \$49,848 in Fiscal 23.

*Exploration work on the property*

The proposed airborne magnetic survey to keep 46 claims in good standing was completed in Q2-23. The survey report was completed and filed with the MERN.

**4.37 Lasalle, option agreement with 9481-6337 Québec inc., a wholly owned subsidiary of Cosmos Exploration Ltd (“Cosmos”) operated by Cosmos.**

*Property Description*

The Lasalle project is located in the James Bay territory and consists of 39 claims (1,997 hectares).

On January 12, 2023, and as amended October 26, 2023, the Corporation signed an option agreement with Cosmos whereby it may earn a 50% interest in the Lasalle project, the option 1, by completing the following commitments:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature - completed	20,000	20,000	-	-
On or before December 15, 2023	70,000	-	-	-
On or before September 15, 2024	-	-	500,000	288,374
<b>Total</b>	<b>90,000</b>	<b>20,000</b>	<b>500,000</b>	<b>288,374</b>

From commencement of the option 1, Cosmos is the operator.

Upon exercising the option 1, Cosmos will have a second option, option 2, to increase its ownership interest by an additional 1% during a six-month period after the exercise of option 1 by incurring an additional work commitment of \$100,000 (or equivalent in cash payable to the Corporation).

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Upon exercising the option 2, Cosmos will have a third option, option 3, to increase its ownership interest by an additional 24% during a two-year period after the exercise of option 2 by incurring an additional work commitment of \$2,000,000 (or equivalent in cash payable to the Corporation). If Cosmos acquires a 75% interest, it shall have a pre-emptive right to purchase the remaining 25% held by the Corporation.

On October 26, 2023, an amendment was signed to include in the option agreement 32 contiguous claims staked by Cosmos.

*Exploration Work on the property*

A high-resolution magnetic survey as well as an analysis of the imagery, LiDAR and hyper spectral data were completed during Q3-23 and led to the identification of three target areas to be followed-up on the field during the summer of 2023. Following this field program, assay results did not return any lithium anomaly, however a grab sample taken in the western part of the property returned 42 g/t Au.

**4.38 McDuff (Cu-Au-Mo-Ag)**

*Property Description*

The McDuff property consists as at September 30, 2023 of 159 (8,394 hectares).

*Exploration work on the property*

No exploration work conducted on McDuff during Fiscal 23. Midland is currently looking for a new partner for this project.

**4.39 Mythril and Mythril Regional**

*Property Description*

As at September 30, 2022, the Mythril and Mythril Regional project consisted of 1,534 claims (77,910 hectares). In September 30, 2023, this project was split into 3 groups:

- Mythril property (378 claims covering 19 085 hectares) under option with Brunswick
- Three properties were optioned to RTEC and grouped under the BJ Lithium project: Corvette (319 claims covering 16,425 hectares), Chisaayuu (303 claims covering 15,200 hectares) and Mythril East (108 claims covering 5,518 hectares).
- Two properties remain in the Mythril Regional project and are explored by Midland: Mythril East (119 claims covering 6,078 hectares) and Tilly (307 claims covering 15,603 hectares). In addition, 2 claims were staked in Fiscal 23 in the Mythril Regional property.

The Corporation had partially impaired the Mythril and Mythril Regional property cost for \$190,066 in Fiscal 22. Some claims are subject to a 1% NSR royalty.

**4.40 Mythril and Elrond (Li), option agreement with Brunswick, operated by Brunswick**

See section 2.5 for details on the Brunswick transaction.

*Exploration work on the property*

The Mythril project consists of a total of 378 map designated claims covering up to 194 square kilometres and is located to the north of the pegmatite field of Patriot Battery Metals Inc. ("Patriot"). A total of 47 map designated claims were added recently to the Mythril project main block, which are partially neighbour to Patriot's current claims. This project, which originally targeted Cu-Mo-Au-Ag mineralization, is currently being also evaluated for lithium-bearing pegmatite mineralization which could potentially add value to their current metallogeny.

During Q4-23, a new spodumene-bearing pegmatite was discovered on Elrond. This spodumene-bearing pegmatite outcrop, named the Arwen showing, is exposed over an area of approximately 250 metres by 100 metres and is shallowly dipping to the north. This spodumene-bearing pegmatite remains open in all directions.

The Arwen showing exhibits strong mineralization, with spodumene crystals observed throughout the entire outcrop, including a higher-grade zone measuring approximately 75 metres by 15 metres and containing up to 30% spodumene. The spodumene crystals are well formed and reach up to 30 centimetres in length.

This new discovery lies within a larger area where other differentiated barren pegmatites are found. Laboratory assay results are pending. Brunswick is planning to drill-test these new showings in 2024.

Few days of prospecting on Mythril did not return any significant lithium anomaly.

**4.41 Mythril Regional (Au-Cu-Mo-Ag)**

The Mythril Regional project is composed of: Mythril East (119 claims covering 6,078 hectares) and Tilly (307 claims covering 15,603 hectares). In addition, 2 claims were staked in Fiscal 23 in the Mythril Regional property.

*Exploration work on the property*

No exploration work conducted on Mythril Regional during Fiscal 23. A \$60,000 prospecting campaign is scheduled in Fiscal 24.

**4.42 Wookie (Au)**

*Property Description*

The Corporation holds the Wookie project totalling 188 claims (9,843 hectares), located near the recent Patwon gold discovery made by Azimut on its Elmer project (Eeyou Istchee James Bay, Quebec).

*Exploration work on the property*

No exploration work conducted on Wookie during Fiscal 23. A \$50,000 prospecting campaign is scheduled in Fiscal 24.

**NORTHERN QUEBEC**

**4.43 BHP Alliance (NI)**

*Alliance Description*

A total of 1,194 claims (52 485 hectares) were map staked within the area of interest of the strategic alliance with BHP.



# Midland Exploration Inc.

## Management Discussion & Analysis

For the year ended September 30, 2023

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On August 20, 2020, the Corporation signed an agreement with Rio Algom Limited, a wholly-owned subsidiary of BHP, for a new strategic alliance (“Alliance”) for the initial funding by BHP of a generative exploration phase and opportunities for joint contributions to advance nickel exploration within the Nunavik territory, Quebec.

### *Generative Phase (I)*

During the first phase of the Alliance, BHP will fund at 100% up to \$1,400,000 on an annual basis for a minimum of two years. The Corporation is acting as operator and the main objective is to generate, identify and secure exploration projects to be advanced to a drill-ready stage through further exploration work. BHP may propose additional exploration work for up to 700,000 before advancing an identified project to the second phase.

Following the first phase, one or more specific exploration targets may be advanced to a second phase to be further developed as a separate designated project.

### *Testing Phase (II)*

During this second phase, each designated project will have its own work program and budget with the objective, mainly through drilling, to test and further develop the identified targets. The Corporation will act as operator during the testing 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.

BHP may decide to advance any designated project to the third phase as a joint venture project (“JV Project”).

### *Joint Venture Phase (III)*

For this third phase, a formal joint venture would be formed with initial participating interests being 70% BHP and 30% the Corporation. Both parties would contribute to the expenses pro-rata to their participating interests. 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 including transfer of tenements, data ownership and any other assets related to the JV Project to, or for the benefit 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.

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## Management Discussion & Analysis

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On July 11, 2022, and April 19, 2023, amendments were signed which provide for an extension of the Generative Phase (Phase I) which comes with an additional annual funding of \$1,400,000 and a further \$3,400,000 and extends until March 31, 2024. The Corporation will continue to act as the project operator, and the main objective of this phase is to generate, identify and secure, within the area of interest, exploration projects to be advanced to a drill-ready stage through further exploration work. BHP may, at its discretion, propose additional exploration work of up to \$700,000 before advancing a project to the second phase.

### *Exploration work in the area of interest*

Regional MT surveys covering 232 stations in three blocks, were conducted during Q3-22. This work was designed to map and provide a preliminary assessment of the regional geological architecture. Results are being integrated in a 3D model.

A prospecting program (two phases) was completed in early September 2022. These field programs targeted new anomalies identified during the MT survey, as well as additional geological targets that were generated during the initial targeting phase but that were not ground-checked during the 2021 program.

Assay results from the first phase were received during this month. New results, including new showings from the 2022 target list, include:

- Target 2022-22: 0.81% Ni – 0.22% Cu (New 2022 results)
- Area 2022-22 Ultramafic boulder: 0.16% Ni (New 2022 results)
- Mantas Intrusion (North) : 0.15 % Ni – 0.11% Ni
- Bonne Une Intrusion : 0.22 % Ni – 0.23 % Cu
- A17-1: 0.20 % Ni – 0.20 % Cu

The 2023 exploration program including airborne MT surveys, lake sediments sampling and prospecting was presented to BHP in January and has been approved in early March with a budget of \$3.4M.

The 2023 exploration program started in July 2023 and is focusing on a major crustal-scale structure that has been identified in the regional MT surveys performed in 2022. This structure, previously poorly recognised is deemed favorable for nickel-copper mineralization. The 2023 program consisted of a 1,534 samples lake sediment survey, an airborne Z-Tipper axis electromagnetic survey (“ZTEM”) as well as two phases of mapping and prospecting that started in July and continued in September. Only few nickel and copper weak anomalies were obtained. The ZTEM inversions are in progress and will be completed during Q2-24.

#### **4.44 Labrador Trough alliance - SOQUEM**

##### *Alliance Description*

On February 18, 2021, the Corporation signed a strategic alliance with SOQUEM to jointly explore the Labrador Trough, for an amount of up to \$5,000,000 over 4 years. A joint annual budget of \$1,000,000 over a period of 4 years (firm commitment totalling \$2,000,000 for the first 2 years), for a total of up to \$4,000,000, will be provided under the alliance for the targeting and field reconnaissance phase. Midland will be the project operator in charge of exploration work during the targeting and field reconnaissance phase. An additional, firmly committed, joint budget of \$1,000,000 for the second year is provided under the agreement to explore the designated projects. The joint budgets for exploration work in the third and fourth years on the designated projects shall be approved by the project's management committee. SOQUEM will become project operator on all designated projects.

A total of 762 claims (35,739 hectares) were map staked by Midland and SOQUEM (50%-50%) within the AOI of the strategic alliance with SOQUEM.

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On January 16, 2023, SOQUEM and Midland signed a joint venture agreement on the designated project Nachicapau comprised of 378 claims.

### *Exploration work in the area of interest*

During a prospecting campaign carried out in the summer of 2022, the Midland-SOQUEM team discovered, on surface, several new mineralized horizons with high-grade copper and gold that were observed over an area of at least 160 metres by 170 metres. Given the vegetative cover, the mineralization remains open in all directions and the dimensions of this new mineralized system have yet to be determined.

- Discovery of a high-grade Cu-Au mineralized system, interpreted over an area of at least 160 metres by 170 metres, open in all directions;
- Grab samples grading up to 25.6 % Cu, 4.9 g/t Au, 162 g/t Ag (29.97 % CuEq\*);
- Channel #1: 1.49% Cu, 0.54 g/t Au and 11.4 g/t Ag (1.93% CuEq\*) over 4.0 metres;
- Channel #2: 0.90% Cu, 0.45 g/t Au and 6.5 g/t Ag (1.25% CuEq\*) over 3.0 metres;
- New land position following the acquisition of 187 claims (90 sq. km).

The mineralized system was discovered during prospecting work conducted in the area south of Nachicapau Lake. This work followed up on the discovery made by Midland in 2018 of a calcite vein with bornite and malachite mineralization that graded 3.16% Cu, 5.27 g/t Au and 40.7 g/t Ag. The new discovery is located 100 metres from this showing and the surrounding area has seen very little exploration.

Geologically, the mineralized system is hosted in mafic pyroclastic rocks and chlorite-actinolite schists of the Murdoch Formation. It is defined by the presence of disseminated malachite and bornite mineralization in horizons ranging from cm-scale to several metres wide and as cm-scale pods in calcite veins. Gold mineralization is also associated with these veins. At least 8 decimetric to pluri-metric mineralized horizons have been identified to date.

Additional assays results have confirmed the potential in this area with 8 new samples of interest grading up to 10.05% Cu, 0.19 g/t Au, and 62.90 g/t Ag, and 1.26% Cu, 5.80 g/t Au, and 10.90 g/t Ag in grab samples. These samples with high-grade Cu-Au-Ag values are located along the extensions of horizons and veins with malachite and bornite mineralization. A new area of interest located 350 metres south of these mineralized horizons also exhibits carbonate veining with chalcopyrite and bornite mineralization, which graded 0.11% Cu, 0.03 g/t Au, and 0.20 g/t Ag.

An exploration program was completed in the summer of 2023, focusing on the immediate vicinity of the Cu-Au-Ag mineralized horizons and their extensions along the volcano-sedimentary Murdoch Formation. This area has been the focus of very little previous exploration.

Works completed in 2023 consisted in a soil sampling program (B-Horizon) as well as prospecting. Final assay results are pending.

#### **4.45 Pallas (PGE)**

##### *Property Description*

As at September 30, 2023, the property totals 306 claims covering approximately 13,880 hectares in the Labrador Trough ("Trough") some 80 kilometres west of Kuujjuak, Québec. Since no exploration work are planned in the near future, the property was written off for \$694,694 in Fiscal 22.

##### *Exploration work on the property*

No exploration work conducted on Pallas during Fiscal 23.

#### **4.46 Soissons (Ni-Cu-Co)**

*Property description*

As at September 30, 2023, the Soissons property consists of a total of 175 claims (8,226 hectares) and is located approximately 150 kilometers southeast of the town of Kuujjuaq, Quebec, in the geological province of Churchill.

*Exploration work on the property*

No exploration work conducted on Soissons during Fiscal 23.

#### **4.47 Soissons-NMEF (Ni-Cu-Co)**

*Property Description*

On July 27, 2018, the Corporation signed a partnership agreement (50%-50%) with the NMEF, to explore an area of the Soissons property located between 50 and 100 kilometers southeast of Kuujjuaq, Nunavik, Quebec. The NMEF will be the operator of the partnership.

On October 4, 2022, the Corporation signed an amendment whereby NMEF agrees to transfer its 50% in 46 mining claims (the "Kasik" property) for 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.

As at September 30, 2023, this project consists of a total of 31 claims (1,432 hectares).

*Exploration work on the property*

No exploration work conducted on Soissons-NMEF during Fiscal 23. A \$100,000 prospecting campaign is scheduled in Fiscal 24.

#### **4.48 Willbob (Au)**

*Property Description*

The Willbob property in the Labrador Trough consists of 630 claims (28,863 hectares) as of September 30, 2023, and is located approximately 66 kilometres west-southwest of Kuujjuaq (Québec), near and in a geological environment similar to Midland's Pallas Project.

The Corporation owns the Willbob property 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.

In Fiscal 23, the Corporation impaired partially the property for the claims that were dropped for \$18,481 (\$110,837 in Fiscal 22).

*Exploration work on the property*

Midland completed the work required to maintain the property in good standing.

**Midland Exploration Inc.**  
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**PROJECTS GENERATION**

Midland continued some geological compilation programs in Quebec for the acquisition of new strategic gold and base metal properties.

Some claims were dropped therefore the Corporation impaired partially the property cost for \$16,630 in Fiscal 22.

**Other Activities**

Midland is proactive in the acquisition of new mineral exploration properties in Quebec. Management is constantly reviewing other opportunities and other projects to improve the portfolio of the Corporation. Acquisition opportunities outside of Quebec will also be considered. Midland prefers to work in partnership and fully intends to secure new partnerships for its properties and its 100% owned properties.

**5. CASH AND INVESTMENTS FORECAST**

Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing for at least the next 24 months. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Corporation has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Corporation. The Corporation may also elect to advance the exploration and development of mineral properties through joint-venture participation.

	<b>Fiscal 24 forecast</b>
	\$
Cash and investments opening	5 700 000
Exploration budget paid by Midland	(2 876 000)
Property maintenance	(257 000)
Project management fees	149 000
Payments received – option agreements and alliances	1 155 000
Flow-through private placement	2 600 000
Private placement	300 000
Share issue expenses	(145 000)
Operating expenses, excluding non-cash items	(1 482 000)
Interest income	367 000
Mining credits of preceding years	241 000
Cash generated	52 000
<b>Cash and investments ending</b>	<b>5 752 000</b>

**6. SELECTED ANNUAL INFORMATION**

	<b>Fiscal 23</b>	<b>Fiscal 22</b>	<b>Fiscal 21</b>
	\$	\$	\$
Project management fees	314 971	210,412	202,218
Loss	(1,109,216)	(1,900,085)	(1,023,800)
Loss per share, basic and diluted	(0.01)	(0.03)	(0.01)

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	<b>As at September 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
	\$	\$	\$
Total assets	41,663,069	39,216,081	39,915,196

**7. SUMMARY OF RESULTS PER QUARTERS**

For the eight most recent quarters:

	<b>Q4-23</b>	<b>Q3-23</b>	<b>Q2-23</b>	<b>Q1-23</b>
	\$	\$	\$	\$
Project management fees	177,302	111,100	9,128	17,441
Net earnings (loss)	(858,637)	(15,919)	(178,057)	(56,603)
Loss per share	(0.01)	-	-	-
Total assets	41,663,069	42,056,008	41,853,899	41,920,451

	<b>Q4-22</b>	<b>Q3-22</b>	<b>Q2-22</b>	<b>Q1-22</b>
	\$	\$	\$	\$
Project management fees	140,537	30,997	13,205	25,673
Net earnings (loss)	(1,087,021)	(180,374)	(369,947)	(262,743)
Loss per share	(0.01)	-	(0.01)	-
Total assets	39,216,081	41,431,312	41,821,173	40,914,031

Quarterly highlights:

- Q4-23
  - New discovery with up to 7.2% Li<sub>2</sub>O on Galinee with RTEC.
  - New spodumene-bearing pegmatites discovery on Elrond with Brunswick.
  - The Gatineau, Guyberry, Jeremie and Turgeon properties were depreciated and written off for \$757,900 since the claims expired or no exploration work are planned in the near future.
- Q3-23
  - Option agreement with RTEC for lithium including 10 properties in James Bay and beginning of an imagery and LiDAR survey.
- Q2-23
  - \$142,400 hard cash financing with BHP.
  - New Ni-Cu discovery (Santos Zone) with RTEC on Tête Nord Option.
  - New option agreement with Barrick Gold Corporation (“Barrick”) for the Patris gold project;
  - Drilling programs ADDP completed on Patris, Heva and Laflamme (Phase 1);
- Q1-23
  - \$2,904,880 flow-through financing as well as an hard cash financing of \$580,000.
  - New Cu-Au-Mo-Ag discovery (0.21% CuEq/345.5 m) with Probe on La Peltrie.
  - High-grade gold shears (18.9 g/t Au) and floats (28.7 g/t Au) discovered on Laflamme.
  - Major MT survey recently completed on the Nickel Strategic Alliance with BHP.
  - New option agreement with Brunswick on Mythril and Elrond for their lithium potential.
- Q4-22
  - BHP extends the alliance for one year and increase the budget for \$1,400,000.
  - New Cu-Au-Ag discovery in Labrador trough with SOQUEM, up to 25.6% Cu, 4.9 g/t Au and 162 g/t Ag (grab).
  - The Pallas property was written off for \$694,694 since no exploration work are planned in the near future.
- Q3-22

# Midland Exploration Inc.

## Management Discussion & Analysis

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- New high-grade gold floats (28.7 g/t Au) discovered on Laflamme.
  - Prospecting in James Bay.
  - New Ni-Cu acquisition in Abitibi: Nickel Square property.
- Q2-22
  - \$93,500 hard cash financing with BHP.
  - Commencement of regional magnetotelluric surveys and prospecting in the Nunavik with BHP.
  - 2,388 metres drilling on La Peltrie with Probe.
- Q1-22
  - \$2,667,100 flow-through financing.
  - Option agreement with RTEC on the Tête Nord property.
  - New gold discovery on Casault with Wallbridge: 6.85 g/t Au over 2.0 metres.
  - New high-grade gold float (40.8 g/t Au) discovered on the Labrador Trough Alliance with SOQUEM.
  - Several high-resolution magnetic surveys commencing in Abitibi.

### 8. FOURTH QUARTER

The Corporation incurred \$2,563,949 (\$2,078,377 in Q4-22) in exploration expenses of which \$1,891,749 (\$1,459,676 in Q4-22) was recharged to the partners. The exploration expenses incurred by Midland in Q4-23 were mainly on BHP Alliance, in the Labrador Through with SOQUEM and on Nomans, whereas in Q4-22 the expenses were incurred mainly on the BHP Alliance, Laflamme and Labrador Trough with SOQUEM.

The Corporation acquired or maintained properties for \$32,842 net (\$94,279 net in Q4-22).

The Corporation reported a loss of \$858,637 for Q4-23 compared to a loss of \$1,087,021 for Q4-22.

Project management fees increased to \$177,302 (\$140,537 in Q4-22) mainly due to increased activity level in Q4-23 on BHP Alliance versus Q4-22.

Operating expenses decreased to \$1,241,118 in Q4-23 compared to \$1,440,694 in Q4-22:

- Impairment of exploration and evaluation assets: \$801,991 (\$1,004,981 in Q4-22). During Q3-23, the main impairment arises from the write offs of Gatineau for \$343,302, Turgeon for \$202,562, Jeremie for \$135,855 and Guyberry for \$76,181. During Q4-22, the main impairment arises from the Pallas property write off for \$694,694 in Q4-22; in addition, the Corporation dropped certain claims and partially impaired mainly Mythril for \$190,066.

### 9. RELATED PARTY TRANSACTIONS

The following are the related party transactions that occurred in Fiscal 23, in the normal course of operations:

- A firm in which René Branchaud (director and corporate secretary) is a partner charged legal fees amounting to \$205,067 (\$121,171 in Fiscal 22) of which \$155,098 (\$91,265 in Fiscal 22) was expensed and \$45,969 (\$29,906 in Fiscal 22) was recorded as share issue expenses.
- A company controlled by Ingrid Martin (chief financial officer) charged accounting fees totaling \$182,700 (\$144,151 in Fiscal 22) of which \$62,902 (\$53,676 in Fiscal 22) relates to her staff.
- As at September 30, 2023, the balance due to the related parties amounted to \$12,850 (\$13,735 as at September 30, 2022).

**10. EVENTS SUBSEQUENT TO YEAR END**

See section 2.3 on the private placements closed in November 2023 and section 2.5.3 for the \$500,000 payment received from RTEC for the Lithium Properties option agreement.

**11. STOCK OPTION PLAN**

The purpose of the stock option plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan.

The number of common shares granted is determined by the Board of Directors. On December 8, 2022, the Corporation amended its stock option plan (the "Plan") to increase from 5,790,000 to 8,200,000 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.

**12. OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation does not have any off-balance sheet arrangements.

**13. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

See note 3 of the Financial Statements.

**14. NEW ACCOUNTING STANDARDS**

No new accounting standards to discuss for Fiscal 23.

**15. FINANCIAL INSTRUMENTS**

See notes 2.6 and 10 of the Financial Statements.

**16. RISK FACTORS**

The following discussions review a number of important risks which management believes could impact the Corporation's business. There are other risks, not identified below, which currently, or may in the future exist in the Corporation's operating environment.



### **16.1 Exploration and Mining Risks**

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Currently, there are no known bodies of commercial ore on the mineral properties of which the Corporation intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the conduct of exploration programs. The Corporation, from time to time, increases its internal exploration and operating expertise with due advice from consultants and others as required.

The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Corporation's mineral properties.

### **16.2 Titles to Property**

While the Corporation has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects. In addition, a government could delimit a territory and create a protected area or a park to preserve its biological diversity and its related natural and cultural resources.

### **16.3 Permits and Licenses**

The Corporation's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### **16.4 Metal Prices**

Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

### **16.5 Competition**

The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

## **16.6 Environmental Regulations**

The Corporation's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to fully comply with all environmental regulations.

## **16.7 Conflicts of Interest**

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors or officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

## **16.8 Stage of Exploration**

The Corporation's properties are in the exploration stage and to date none of them have a proven ore body. The Corporation does not have a history of earnings or return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

## **16.9 Industry Conditions**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax and mining duty increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Corporation, such as government regulations. The Corporation undertakes exploration in areas that are or could be the subject of native land claims. Such claims could prevent or delay work, or increase exploration costs. The effect of these factors cannot be accurately determined.

## **16.10 Option, Joint Venture and Strategic Alliance Agreements**

The Corporation has and may continue to enter into option, joint ventures and strategic alliance agreements as part of its business model. Any failure of any partner to meet its obligations or any disputes with respect to each partners' respective rights and obligations, could have a negative impact on the Corporation. The Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the value of these properties.

## **16.11 Uninsured Hazard**

**Midland Exploration Inc.**  
Management Discussion & Analysis  
For the year ended September 30, 2023

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Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Corporation may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Corporation may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Corporation assets or the insolvency of the Corporation.

**16.12 Capital Needs**

The exploration, development, mining and processing of the Corporation's properties will require substantial additional financing. The only current source of future funds available to the Corporation is the sale of additional equity capital. There is no assurance that such funding will be available to the Corporation or that it will be obtained on terms favourable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest.

**16.13 Fluctuation in market value of Midland's shares**

The market price of Midland shares is affected by many variables not directly related to the corporate performance of the Corporation, including the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of Midland's shares in the future cannot be predicted and may cause more dilution or difficulties in closing future financings.

**16.14 Key Employees**

Management of the Corporation rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

**16.15 Taxation**

Taxation laws are complicated and may be subject to change. The Corporation may also be subject to review, audit and assessment in the ordinary course. Any such situations could result in higher taxes being payable or require payment of taxes due from previous years, which could adversely affect the Corporation's liquidities.

No assurance can be made that Canada Revenue Agency and provincial agencies will agree with the Corporation's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada) or any provincial equivalent.

#### **16.16 Cyber Security**

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage, or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks, and defects in design. Threats to information technology systems associated with cyber security risks and cyber incidents or attacks continue to grow, particularly as a result of remote work during the COVID-19 pandemic. The level of sophistication of such attacks has also increased. It is possible that the business, financial and other systems of the Corporation could be compromised, which could go unnoticed for some time. Risks associated with these threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, privacy and confidentiality breaches, and increased costs to prevent, respond to or mitigate cyber security incidents. The significance of any cyber security breach is difficult to quantify but may in certain circumstances be material and could have a material adverse effect on the Corporation's business, financial condition and results of operations.

#### **16.17 Relationship with local communities and First Nations.**

Relationship with local communities and First Nations is critical to ensure the success of exploration activities of the Corporation and their future development.

### **17. FORWARD-LOOKING INFORMATION**

Some statements contained in this MD&A, especially the opinions, the projects, the objectives, the strategies, the estimates, the intent and the expectations of Midland that are not historical data, are forward looking statements. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other terms and similar expressions. These statements are based on information available at the time they are made, on assumptions established by the management and on the management expectation, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section 17 Risks factors). The real results for Midland could differ in an important way of those which state or that these forward-looking statements show the possibility for. Consequently, it is recommended not to trust unduly these statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. These statements speak only as of the date of this MD&A. Midland undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

December 7, 2023

*(s) Gino Roger*  
\_\_\_\_\_  
Gino Roger  
President and CEO

*(s) Ingrid Martin*  
\_\_\_\_\_  
Ingrid Martin  
CFO



## Independent auditor's report

To the Shareholders of Midland Exploration Inc.

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### 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, 2023 and 2022, 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).

#### What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at September 30, 2023 and 2022;
- 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, which include significant accounting policies and other explanatory information.

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### 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.

PricewaterhouseCoopers LLP  
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada H3B 4Y1  
T: +1 514 205 5000, F: +1 514 876 1502, ca\_montreal\_main\_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



## 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, 2023. These matters 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

#### Assessment of indicators of impairment of exploration and evaluation assets

*Refer to note 2 – Summary of significant accounting policies, note 3 – Critical accounting estimates and judgments and note 5 – Exploration and evaluation assets to the consolidated financial statements*

The net book value of exploration and evaluation assets amounted to \$35,000,242 as at September 30, 2023.

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) whether the period for which the Corporation has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (ii) whether substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; and (iii) 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 has decided to discontinue such activities in the specific area.

Our approach to addressing the matter included the following procedures, among others:

- Assessed the judgment by management in determining indicators of impairment related to E&E assets, which included the following:
  - 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

The total impairment loss of the E&E assets recognized is \$976,731 for the year ended September 30, 2023. No reversal of impairment losses has been recognized for the reporting periods.

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 performing procedures related to these judgments applied by management.

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### Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

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.

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.

If, based on the work we have performed, 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.

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### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.



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.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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### **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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 LLP<sup>1</sup>**

Montréal, Quebec  
December 7, 2023

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<sup>1</sup> CPA auditor, public accountancy permit No. A128042

# Midland Exploration Inc.

## Consolidated Statements of Financial Position

As at September 30, 2023 and 2022

(in Canadian dollars)

	As at September 30	
	2023	2022
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	2,453,793	1,895,705
Investments (note 4)	2,500,000	4,504,000
Accounts receivable	224,947	59,928
Sales tax receivable	112,309	84,548
Tax credits and mining rights receivable	278,640	194,878
Listed shares	7,000	12,000
Prepaid expenses	102,153	54,861
<b>Total current assets</b>	<b>5,678,842</b>	<b>6,805,920</b>
<b>Non-current assets</b>		
Investments – non-current portion (note 4)	800,000	-
Listed shares	144,131	40,950
Right-of-use assets	39,854	69,746
Advance paid for exploration work	-	50,000
Exploration and evaluation assets (note 5)		
Exploration properties	2,883,373	2,927,591
Exploration and evaluation expenses	32,116,869	29,321,874
	<b>35,000,242</b>	<b>32,249,465</b>
<b>Total non-current assets</b>	<b>35,984,227</b>	<b>32,410,161</b>
<b>Total assets</b>	<b>41,663,069</b>	<b>39,216,081</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,110,901	291,906
Advance received for exploration work	719,996	434,135
Liability related to the premium on flow-through share	-	113,480
Lease liabilities – current portion	34,496	31,301
<b>Total current liabilities</b>	<b>1,865,393</b>	<b>870,822</b>
<b>Non-current liabilities</b>		
Lease liabilities	16,612	51,108
<b>Total liabilities</b>	<b>1,882,005</b>	<b>921,930</b>
<b>Equity</b>		
Capital stock	55,568,556	52,967,839
Contributed surplus	6,633,446	6,431,575
Deficit	(22,420,938)	(21,105,263)
<b>Total equity</b>	<b>39,781,064</b>	<b>38,294,151</b>
<b>Total liabilities and equity</b>	<b>41,663,069</b>	<b>39,216,081</b>

*Subsequent events (note 12)*

*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, 2023, and 2022

(in Canadian dollars)

	Fiscal 23	Fiscal 22
	\$	\$
<b>Revenues</b>		
Project management fees	314,971	210,412
<b>Operating Expenses</b>		
Salaries (note 7)	767,405	773,865
Stock-based compensation (note 7)	142,820	159,515
Office expenses	198,158	190,221
Regulatory fees	43,693	46,991
Conferences and investors relations	237,399	285,318
Professional fees	414,018	304,373
Depreciation	29,892	29,892
General exploration	29,275	2,419
Impairment of exploration and evaluation assets (note 3)	976,731	1,208,289
Operating expenses	2,839,391	3,000,883
<b>Other revenues (expenses)</b>		
Interest income	251,035	80,524
Change in fair value - listed shares	28,911	(39,631)
Financing fees	(4,785)	(6,862)
	275,161	34,031
<b>Loss before income taxes</b>	(2,249,259)	(2,756,440)
Recovery of deferred income taxes (note 9)	1,140,043	856,355
<b>Loss and comprehensive loss</b>	<b>(1,109,216)</b>	<b>(1,900,085)</b>
Basic and diluted loss per share (note 8)	(0.01)	(0.03)

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, 2023, and 2022

(in Canadian dollars)

	Number of shares outstanding	Capital stock \$	Contributed surplus \$	Deficit \$	Total equity \$
<b>Balance at October 1, 2021</b>	<b>72,278,052</b>	<b>51,177,074</b>	<b>6,231,927</b>	<b>(19,067,814)</b>	<b>38,341,187</b>
Loss and comprehensive loss	-	-	-	(1,900,085)	(1,900,085)
Private placement	170,000	93,500	-	-	93,500
Flow-through private placement	3,219,745	2,667,100	-	-	2,667,100
Less: premium	-	(969,835)	-	-	(969,835)
	3,219,745	1,697,265	-	-	1,697,265
Stock-based compensation	-	-	199,648	-	199,648
Share issue expenses	-	-	-	(137,364)	(137,364)
<b>Balance as at Sept. 30, 2022</b>	<b>75,667,797</b>	<b>52,967,839</b>	<b>6,431,575</b>	<b>(21,105,263)</b>	<b>38,294,151</b>

	Number of shares outstanding	Capital stock \$	Contributed surplus \$	Deficit \$	Total equity \$
<b>Balance at October 1, 2022</b>	<b>75,667,797</b>	<b>52,967,839</b>	<b>6,431,575</b>	<b>(21,105,263)</b>	<b>38,294,151</b>
Loss and comprehensive loss	-	-	-	(1,109,216)	(1,109,216)
Private placement	1,806,000	722,400	-	-	722,400
Flow-through private placement	5,302,400	2,904,880	-	-	2,904,880
Less: premium	-	(1,026,563)	-	-	(1,026,563)
	5,302,400	1,878,317	-	-	1,878,317
Stock-based compensation	-	-	201,871	-	201,871
Share issue expenses	-	-	-	(206,459)	(206,459)
<b>Balance as at Sept. 30, 2023</b>	<b>82,776,197</b>	<b>55,568,556</b>	<b>6,633,446</b>	<b>(22,420,938)</b>	<b>39,781,064</b>

*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, 2023 and 2022

(in Canadian dollars)

	Fiscal 23	Fiscal 22
	\$	\$
<b>Cash flow relating to:</b>		
<b>Operating activities</b>		
Loss	(1,109,216)	(1,900,085)
Adjustment for:		
Stock-based compensation (note 7)	142,820	159,515
Depreciation	29,892	29,892
Impairment of exploration and evaluation assets (note 3)	976,731	1,208,289
Change in fair value - listed shares	(28,911)	39,631
Recovery of deferred income taxes (note 9)	(1,140,043)	(856,355)
	(1,128,727)	(1,319,113)
Changes in non-cash working capital items		
Accounts receivable	(165,019)	(9,800)
Sales tax receivable	(27,761)	50,832
Prepaid expenses	(47,292)	5,321
Accounts payable and accrued liabilities	618,221	(145,787)
Advance received for exploration work	285,861	224,142
	664,010	124,708
	<b>(464,717)</b>	<b>(1,194,405)</b>
<b>Financing activities</b>		
Principal repayment – lease liabilities	(31,301)	(28,341)
Private placement	722,400	93,500
Flow-through private placement	2,904,880	2,667,100
Share issue expenses	(206,459)	(137,364)
	<b>3,389,520</b>	<b>2,594,895</b>
<b>Investing activities</b>		
Additions to investments	(3,300,000)	(4,504,000)
Investments' maturity	4,504,000	5,940,390
Proceeds from disposal of listed shares	55,730	77,997
Additions to exploration properties	(470,819)	(472,453)
Option payments received on exploration properties	325,000	280,000
Advance paid for exploration expenses	50,000	(50,000)
Additions to exploration and evaluation expenses	(3,701,041)	(3,648,580)
Tax credits and mining rights received	170,415	1,381,001
	<b>(2,366,715)</b>	<b>(995,645)</b>
<b>Net change in cash</b>	558,088	404,845
Cash – beginning	1,895,705	1,490,860
<b>Cash and cash equivalents – ending</b>	<b>2,453,793</b>	<b>1,895,705</b>

For additional disclosure see note 11.

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, 2023, and 2022

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### 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of presentation

The accompanying consolidated financial statements ("Financial Statements") have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB"). The accounting policies, method 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 7, 2023.

#### 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 statements are prepared for the same financial information presentation period as the Corporation and as per the same accounting policies.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

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### 2.4 Functional and presentation currency

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

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

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. Dividend income on those investments are recognized 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

#### *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, 2023, and 2022

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### 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.

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.



# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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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. Costs related to E&E assets are transferred to Property, plant and equipment when they reach the development phase and will be subject to depreciation when these properties are put into commercial production.

### 2.10 Lease agreements

At the commencement date of a lease, a liability is recognized to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset) is also recognized. The interest expense on the lease liability is recognized separately from the depreciation expense on the right-of-use asset.

The lease liability is remeasured upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). This remeasurement is generally recognized as an adjustment to the right-of-use asset. Leases of "low-value" assets and short-term leases (12 months or less) will continue to be recorded as operating lease.

### 2.11 Impairment of non-financial assets

The carrying amounts of mining rights and E&E expenses are assessed for impairment, by area of interest, only when indicators of impairment exist, typically when one of the following circumstances apply: exploration rights have expired or will expire in the near future; no future substantive exploration expenditures are budgeted or planned; no commercially viable quantities or minerals have been discovered and exploration and evaluation activities will be discontinued; exploration and evaluation assets are unlikely to be fully recovered from successful development or by sale; or a significant drop in metal prices. If any such indication exists, then the asset's recoverable amount is estimated. When some mining rights within an area of interest are abandoned during the period, the acquisition costs of those mining rights are impaired on a pro rata basis.

Mining rights and E&E expenses are systematically assessed for impairment upon the transfer of exploration and evaluation assets to development assets.

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 Company for the purposes of testing exploration and evaluation assets and mining properties for impairment corresponds to each property.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

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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 profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit ("group of units") on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The carrying amounts of exploration and evaluation assets and property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment.

### 2.12 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.

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.

### 2.13 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.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

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### 2.14 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.

### 2.15 Share and warrant issue expenses

Share and warrant issue expenses are accounted for in the year in which they are incurred and are recorded as a deduction to equity in the deficit in the year in which the shares are issued.

### 2.16 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.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values, unless that fair value cannot be estimated reliably. If the Corporation cannot estimate reliably the fair value of the goods or service received, the Corporation shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date using the Black & Scholes option pricing model and excludes the impact of non-market vesting conditions.

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. Warrants to brokers, in respect of an equity financing are recognized as share issue expense reducing the equity in the deficit with a corresponding credit to warrants.

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.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

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### 2.17 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.

### 2.18 Revenue recognition

The project management fees received when the Corporation is the operator are recorded in the consolidated statement of comprehensive loss when the exploration work recharged to the partners are incurred.

### 2.19 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.

## 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 period for which the entity has the right to explore in the specific area has expired during the period 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. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Corporation's assets and earnings may occur during the next period.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

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The total impairment loss of the E&E assets recognized is \$976,731 for the year ended September 30, 2023 ("Fiscal 23") (\$1,208,289 for the year ended September 30, 2022 ("Fiscal 22")). 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.

### 3.3 Valuation of credit on duties refundable for loss and the refundable tax credit for resources.

Refundable credit on mining duties and refundable tax credit related to resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statement of financial position date.

The calculation of the Corporation's credit on mining duties and tax credit related to resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority.

Differences arising between the actual results following final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to credit on mining duties and tax credit related to resources, exploration and evaluation assets and expenses, and income tax expense in future periods. The amounts recognized in the financial statements are derived from the Corporation's best estimation and judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Corporation's financial position and its financial performance and cash flows.

## 4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As at September 30, 2022, investments are composed of guaranteed investment certificates ("GIC"), not cashable before the expiry date, earning between 0.92% and 2.25% interest payable annually, maturing between November 17, 2022 and March 21, 2023. The investments' maturity value is \$4,568,406.

As at September 30, 2023, cash and cash equivalents includes a GIC cashable with interest payable annually, earning 5.15%, maturing July 25, 2024, with a maturity value of \$536,265. Investments are composed of GICs, not cashable before the expiry date with interest payable annually. Current investments are earning between 5.00% and 5.41% interest, maturing between November 17, 2023, and December 8, 2023, with a maturity value of \$2,628,120. Non-current investments are earning between 5.05% and 5.30% interest, maturing between November 28, 2024, and December 2, 2024, with a maturity value of \$841,400.

The balance on flow-through financing not spent according to the restrictions imposed by the December 2021 financings represents \$308,636 as at September 30, 2022 and is included in investments; all exploration work was completed before December 31, 2022. All exploration work imposed by the November and December 2022 flow-through financings was completed before September 30, 2023.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

### 5. EXPLORATION AND EVALUATION ASSETS

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

Acquisition costs	As at Sept. 30, 2022	Net Additions	Option payments	Impairment	As at Sept. 30, 2023
	\$	\$	\$	\$	\$
Abitibi	1,135,503	158,915	(75,000)	(156,491)	1,062,927
Grenville	129,400	47,198	(100,000)	(42,909)	33,689
James Bay	1,262,157	193,968	(70,000)	(49,848)	1,336,277
Northern Quebec	400,531	68,430	-	(18,481)	450,480
	<b>2,927,591</b>	<b>468,511</b>	<b>(245,000)</b>	<b>(267,729)</b>	<b>2,883,373</b>

Acquisition costs	As at Sept. 30, 2021	Net Additions	Option payments	Impairment	As at Sept. 30, 2022
	\$	\$	\$	\$	\$
Abitibi	1,013,428	137,537	(8,781)	(6,681)	1,135,503
Grenville	191,247	48,019	(100,000)	(9,866)	129,400
James Bay	1,449,735	151,674	-	(339,252)	1,262,157
Northern Quebec	520,449	142,964	-	(262,882)	400,531
Project generation	8,075	1,566	-	(9,641)	-
	<b>3,182,934</b>	<b>481,760</b>	<b>(108,781)</b>	<b>(628,322)</b>	<b>2,927,591</b>

In Fiscal 23, the Corporation impaired partially some properties for claims that were dropped for \$226,806 and wrote off the properties (or some projects included in these properties) for \$40,923 since no exploration program was planned for the near future and/or all claims were dropped.

In Fiscal 22, the Corporation impaired partially some properties for claims that were dropped for \$466,636 and wrote off the properties (or some projects included in these properties) for \$161,686 since no exploration program was planned for the near future and/or all claims were dropped.

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

Exploration and evaluation expenses	As at Sept. 30, 2022	Net Additions	Option payments	Tax credits	Impairment	As at Sept. 30, 2023
	\$	\$	\$	\$	\$	\$
Abitibi	13,743,117	3,050,528	(205,000)	(231,596)	(390,194)	15,966,855
Grenville	1,319,100	4,342	-	-	(318,808)	1,004,634
James Bay	10,030,413	378,519	-	47,917	-	10,456,849
Northern Quebec	4,229,244	529,785	-	(70,498)	-	4,688,531
	<b>29,321,874</b>	<b>3,963,174</b>	<b>(205,000)</b>	<b>(254,177)</b>	<b>(709,002)</b>	<b>32,116,869</b>

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

Exploration and evaluation expenses	As at Sept. 30, 2021	Net Additions	Option payments	Tax credits	Impairment	As at Sept. 30, 2022
	\$	\$	\$	\$	\$	\$
Abitibi	12,458,393	1,570,278	(171,219)	(114,335)	-	13,743,117
Grenville	1,257,589	77,498	-	(15,987)	-	1,319,100
James Bay	9,476,715	622,583	-	(68,885)	-	10,030,413
Northern Quebec	4,235,000	593,474	-	(56,581)	(542,649)	4,229,244
Project generation	37,318	-	-	-	(37,318)	-
	<b>27,465,015</b>	<b>2,863,833</b>	<b>(171,219)</b>	<b>(255,788)</b>	<b>(579,967)</b>	<b>29,321,874</b>

In Fiscal 23, the Corporation impaired the properties for \$709,002 including write offs for Gatineau for \$318,808, Turgeon for \$202,050, Jeremie for \$121,140 and Guyberry for \$67,004 since no exploration program was planned for the near future and/or all claims were dropped.

In Fiscal 22, the Corporation wrote off the properties (or some projects included in these properties) for \$579,967 including Pallas for \$542,649, since no exploration program was planned for the near future and/or all claims were dropped.

### ABITIBI

#### 5.1 Casault

On June 16, 2020, the Corporation signed an option agreement with Wallbridge Mining Company Limited (“Wallbridge”), as amended on November 4, 2022, and on September 29, 2023, whereby Wallbridge may earn a 50% interest in the Casault property 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	-	1,250,000
On or before June 30, 2024	150,000	-
On or before June 30, 2025	-	2,000,000
<b>Total</b>	<b>600,000</b>	<b>5,000,000</b>

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 property 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 Gaudet

On July 29, 2020, the Corporation signed a joint venture agreement with Probe Metals Inc. (“Probe”) over the Gaudet and Samson North West properties from the Corporation as well as the Fenelon-Nantel property of Probe. Probe is the operator.

Some claims of the Gaudet property are subject to a 1% NSR royalty.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

### 5.3 Heva

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

### 5.4 Jouvex

Some claims of the Jouvex property 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 property 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.

### 5.5 La Peltrie

On July 9, 2020, the Corporation signed an option agreement with Probe whereby Probe may earn a 50% interest in the La Peltrie property in consideration of the following:

	Payments	Exploration work
	\$	\$
Upon signature - completed	50,000 <sup>1)</sup>	-
On or before July 31, 2021 completed	55,000 <sup>2)</sup>	500,000
On or before July 31, 2022 completed	70,000 <sup>3)</sup>	700,000
On or before July 31, 2023 completed	100,000 <sup>4)</sup>	1,200,000
On or before July 31, 2024	125,000	1,100,000
<b>Total</b>	<b>400,000</b>	<b>3,500,000</b>

- 1) In July 2020, the Corporation received 37,879 shares of Probe based on a 5 days VWAP calculation to total \$50,000.
- 2) In July 2021, the Corporation received 32,544 shares of Probe based on a 5 days VWAP calculation to total \$55,000.
- 3) In July 2022, the Corporation received \$70,000 in cash.
- 4) In July 2023, the Corporation received 61,087 shares of Probe based on a 5 days VWAP calculation to total \$100,000.

After exercising this first option to earn a 50% interest, Probe may increase its interest to 65% (the second option) over a period of 2 years in consideration of exploration expenditures or cash payment totalling \$5,000,000. Probe is the operator.

Some claims of the La Peltrie property 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.

### 5.6 Lac Esther

Some claims of the Lac Esther property are subject to two 2% NSR royalty of which 1% can be bought back in tranches for an aggregate of \$2,000,000.

### 5.7 Laflamme Au-Cu

The Corporation holds 82.3% of the Laflamme property.

### 5.8 Maritime-Cadillac

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



# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

### 5.9 Patris

The Corporation holds the Patris property 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 Corporation ("Barrick") whereby Barrick may acquire a 75% interest in the Patris property in consideration for cash payments totaling \$1,017,500 and exploration work totaling \$16,575,000, over an eight-year period, including a firm commitment of \$3,000,000, over a four-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 May 11, 2024	60,000	500,000
On or before May 11, 2025	77,500	-
On or before May 11, 2026	95,000	-
On or before May 11, 2027	110,000	3,500,000
<b>Total</b>	<b>392,500</b>	<b>4,000,000</b>

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 \$265,000 and exploration work expenditures of at least \$2,000,000. 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 \$360,000 and exploration work expenditures of at least \$10,575,000.

If Barrick does not exercise or complete the first joint venture funding or the second joint venture 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.

## GRENVILLE

### 5.10 Gatineau

On February 20, 2020, the Corporation signed an alliance contract with SOQUEM, in which SOQUEM transferred to the Corporation its 50% interest in the Casault and Jouvex properties in exchange for:

- A 1% 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; and
- 50% undivided interest in a joint venture relating to seven existing mining properties forming the Gatineau project.

On April 6, 2022, the Corporation received from SOQUEM a notice to terminate the alliance on the Gatineau property.

### 5.11 Tête Nord

The Corporation assembled the Tête Nord property 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.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

On December 1, 2021, and as amended, the Corporation signed an option agreement with Rio Tinto Exploration Canada Inc. ("RTEC") for its Tête Nord property. Under this agreement, RTEC may earn an initial 50% interest (First Option) in the Tete Nord property over a period of four years, by fulfilling the following conditions:

	Cash payments	Exploration work
	\$	\$
Upon signature (completed)	100,000	-
On or before November 1, 2022 (completed)	-	500,000
On or before December 1, 2022 (completed)	100,000	-
On or before December 1, 2023 <sup>1)</sup>	100,000	-
On or before December 1, 2024	100,000	-
On or before December 1, 2025 (completed)	-	3,500,000
On or before December 1, 2025	100,000	-
<b>Total</b>	<b>500,000</b>	<b>4,000,000</b>

1) \$100,000 received before December 1, 2023.

After earning an initial 50% interest, RTEC may elect to increase its interest to 70% (Second Option) over a period of four years by fulfilling the following conditions:

- Exploration expenditures totalling up to \$10,000,000 and cash payments totalling \$500,000, gaining interest on the following schedule:
  - An additional 1% interest (for a total of 51%) by funding an additional \$250,000 of exploration expenditures;
  - An additional 1% interest for each additional \$500,000 of exploration expenditures (for a total of up to 69%); and
  - An additional 1% (for a total of 70%) by funding an additional \$750,000 of exploration expenditures.

RTEC retains the right to act as operator for the First and the Second Option; or at its discretion elects to have the Corporation act as operator on RTEC's behalf. RTEC chose to be the operator for the first year of the option agreement.

### 5.12 Weedon

The Corporation holds the Weedon property and some claims are subject to NSR royalties varying from 0.5% to 1.5% that can be bought back in tranches for an aggregate of \$3,000,000.

## JAMES BAY

### 5.13 BJ Lithium

On June 13, 2023, the Corporation signed an option agreement with RTEC for 10 lithium properties in the James Bay region, including Corvette, Myhril-East, Chisaayuu, Galinée, Moria, Shire, Komo, Warp, Sulu, and Picard (the "Lithium Properties").

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

Under the option agreement, RTEC may acquire an initial 50% interest (the first option) in the Lithium Properties 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 August 24, 2024	100,000	-
On or before August 24, 2025	100,000	-
On or before August 24, 2026	100,000	-
On or before August 24, 2027	100,000	-
On or before August 24, 2028	100,000	14,500,000
<b>Total</b>	<b>1,000,000</b>	<b>14,500,000</b>

Exploration expenditures totalling \$14,500,000 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 Lithium Properties 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 \$50,000,000 (for a total of \$64,500,000 under the option agreement).

If RTEC acquires an interest in the Lithium Properties, 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.

### 5.14 JV Eleonore (Au)

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

### 5.15 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 may earn a 50% interest in the Lasalle project, the option 1, by completing the following commitments:

	Cash payments	Exploration work
	\$	\$
Upon signature - completed	20,000	-
On or before December 15, 2023	70,000	-
On or before September 15, 2024	-	500,000
<b>Total</b>	<b>90,000</b>	<b>500,000</b>

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From commencement of the option 1, Cosmos is the operator.

Upon exercising the option 1, Cosmos will have a second option, the option 2, to increase its ownership interest by an additional 1% during a six-month period after the exercise of option 1 by incurring an additional work commitment of \$100,000 (or equivalent in cash payable to the Corporation). Upon exercising the option 2, Cosmos will have a third option, the option 3, to increase its ownership interest by an additional 24% during a two-year period after the exercise of option 2 by incurring an additional work commitment of \$2,000,000 (or equivalent in cash payable to the Corporation). If Cosmos acquires a 75% interest, it shall have a pre-emptive right to purchase the remaining 25% held by the Corporation.

### 5.16 Mythril and Elrond

On November 22, 2022, the Corporation signed an option agreement with Brunswick Exploration Inc. ("Brunswick") whereby Brunswick has 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 properties. Under this agreement, Brunswick may acquire an initial 50% interest, option 1, in the Mythril property over a three-year period, at the following conditions:

	Payment in cash	Payments in shares	Exploration work
	\$	\$	\$
Upon signature (completed)	25,000	25,000 <sup>1)</sup>	-
On or before November 22, 2023 <sup>2)</sup>	50,000	50,000	300,000
On or before November 22, 2024	70,000	70,000	300,000
On or before November 22, 2025	-	210,000	900,000
<b>Total</b>	<b>145,000</b>	<b>355,000</b>	<b>1,500,000</b>

1) 62,500 shares of Brunswick received

2) The \$50,000 cash payment and the issuance of 48,544 Brunswick shares valued at \$50,000 were completed before November 22, 2023

In addition, Brunswick may earn an additional 35% undivided interest in the claims, option 2, in the properties over an additional two-year period, at the following conditions:

- Aggregate consideration of \$200,000 payable according to the following schedule: 1st Anniversary: \$100,000 in cash or stock, at Brunswick's option; 2nd anniversary: \$100,000 in cash or stock, at Brunswick's option;
- Requirement to spend an additional amount of \$2,000,000 in exploration expenditures, in cash or in shares, at Brunswick's option, according to the following schedule: 1st anniversary after exercising option 1: amount of \$1,000,000; and 2nd anniversary after exercising option 1: additional amount of \$1,000,000.

Any Brunswick share issuance during option 1 and option 2 is subject to a minimum price of \$0.24 per share. If Brunswick exercise option 1 and 2, it would hold a right of first refusal on the 15% remaining interest held by the Corporation and the Corporation would not be required to participate in exploration and development expenditures until a mine is constructed to extract all metals or minerals except precious metals (gold, platinum, palladium and silver) and base metals (copper, zinc, nickel and lead).

### 5.17 Royalties held by Altius Resources Inc. and its affiliate Altius Royalties Corp. ("Altius")

On February 10, 2017, the Corporation signed a letter of intent creating a strategic alliance with Altius (the "Altius Alliance"). On February 12, 2019, the parties jointly decided to terminate the Altius Alliance. The designated projects as per the Altius Alliance (Elrond, Gondor, Helms Deep, Isengard, Minas Tirith, Moria, Shire, Mythril and Fangorn) maintain their 1% NSR royalty in favor of Altius, on the claims that were active at the time of their designation, as reiterate in the Royalty agreements signed on June 12 and 19, 2023.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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### 5.18 Mythrill right of first offer (“ROFO”) held by BHP

Pursuant to the April 17, 2019, investment agreement with BHP, BHP has the right of first offer on the Mythrill project in the event the Corporation sought to divest all or part of its interest. On May 8, 2023, amendment to this investment agreement was signed whereby the claims that are part of the RTEC option agreement on James Bay Lithium are no longer subject to the Mythrill ROFO.

### NORTHERN QUEBEC

#### 5.19 BHP Alliance

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”) for the initial funding by BHP of a generative exploration phase and opportunities for joint contributions to advance nickel exploration within the Nunavik territory, Quebec.

##### *Generative Phase (I)*

During the first phase of the Alliance, BHP will fund at 100% up to \$1,400,000 on an annual basis for a minimum of two years. The Corporation is acting as operator and the main objective is to generate, identify and secure exploration projects to be advanced to a drill-ready stage through further exploration work. BHP may propose additional exploration work for up to \$700,000 before advancing an identified project to the second phase.

Following the first phase, one or more specific exploration targets may be advanced to a second phase to be further developed as a separate designated project.

##### *Testing Phase (II)*

During this second phase, each designated project will have its own work program and budget with the objective, mainly through drilling, to test and further develop the identified targets. The Corporation will act as operator during the testing 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.

BHP may decide to advance any designated project to the third phase as a joint venture project (“JV Project”).

##### *Joint Venture Phase (III)*

For this third phase, a formal joint venture would be formed with initial participating interests being 70% BHP and 30% the Corporation. Both parties would contribute to the expenses pro-rata to their participating interests. BHP would be the operator for all JV Projects.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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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 including transfer of tenements, data ownership and any other assets related to the JV Project to, or for the benefit 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.

On July 11, 2022 and April 19, 2023, amendments were signed which provide for an extension of the Generative Phase (Phase I) which comes with an additional annual funding of \$1,400,000 and a further \$3,400,000 and extends until March 31, 2024. The Corporation will continue to act as the project operator. BHP may, at its discretion, propose additional exploration work of up to \$700,000 before advancing a project to the second phase.

### 5.20 Labrador Trough - alliance

On February 18, 2021, the Corporation signed a strategic alliance with SOQUEM to jointly explore the Labrador Trough, for an amount of up to \$5,000,000 over 4 years. A joint annual budget of \$1,000,000 over a period of 4 years (firm commitment totalling \$2,000,000 for the first 2 years), for a total of up to \$4,000,000, will be provided under the alliance for the targeting and field reconnaissance phase. The Corporation will be the project operator in charge of exploration work during the targeting and field reconnaissance phase. An additional, firmly committed, joint budget of \$1,000,000 for the second year is provided under the agreement to explore the designated projects. The joint budgets for exploration work for the third and fourth years on the designated projects shall be approved by the project's management committee. SOQUEM will become project operator on all designated projects.

### 5.21 Soissons-NMEF

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 property. The NMEF is the operator of the partnership.

On October 4, 2022, the Corporation signed an amendment whereby NMEF agrees to transfer to the Corporation its 50% in 46 mining claims (the "Kasik" property) for 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.

### 5.22 Willbob

The Corporation owns the Willbob property 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.

## 6. EQUITY

### 6.1 Capital stock authorized

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

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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### 6.2 Private placements

#### a) December 2021 and January 2022

On December 7 and 21, 2021, the Corporation completed private placements of 2,458,875 flow-through shares at \$0.80 per share for total gross proceeds of \$1,967,100. On those dates, the Corporation's share closed at \$0.53 and \$0.49 respectively on the Exchange, therefore the residual values attributed to the benefit related to flow-through shares renunciation are \$0.27 and \$0.31 for a total value of \$673,096, credited to the liability related to the premium on flow-through shares.

In addition, on December 7, 2021, the Corporation completed, with an originator of flow-through donation financing, a private placement of 760,870 flow-through shares at \$0.92 per share for total gross proceeds of \$700,000. On that date, the Corporation's share closed at \$0.53 on the Exchange, therefore the residual value attributed to the benefit related to flow-through shares renunciation is \$0.39 for a total value of \$296,739 credited to the liability related to the premium on flow-through shares.

On January 14, 2022, the Corporation completed a private placement of 170,000 shares at a price of \$0.55 per share for total gross proceeds of \$93,500. BHP has exercised its right to maintain its ownership to 5.0% by acquiring 170,000 shares. This right had been granted to BHP on April 18, 2019 pursuant to an Investor Rights Agreement with the Corporation.

In connection with the private placements, the Corporation incurred \$137,364 share issue expense, of which \$84,930 was paid as finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$189,000 under the same terms as other investors.

#### b) November 2022, December 2022 and January 2023

On November 17 and December 1, 2022, the Corporation completed private placements of 4,034,000 flow-through shares at \$0.50 per share for total gross proceeds of \$2,017,000. On those dates, the Corporation's share closed at \$0.355 and \$0.35 respectively on the Exchange, therefore the residual values attributed to the benefit related to flow-through shares renunciation are \$0.145 and \$0.15 for a total value of \$585,480, assigned to the liability related to the premium on flow-through shares.

In addition, on November 17 and December 1, 2022, the Corporation completed, with an originator of flow-through donation financing, a private placement of 1,268,400 flow-through shares at \$0.70 per share for total gross proceeds of \$887,880. On those dates, the residual value attributed to the benefit related to flow-through shares renunciation are \$0.345 and \$0.35 respectively for a total value of \$441,083 assigned to the liability related to the premium on flow-through shares. Also, on December 1, 2022, the Corporation completed private placements of 1,450,000 shares at \$0.40 per share for total gross proceeds of \$580,000.

Finally, on January 23, 2023, the Corporation completed a private placement of 356,000 shares at a price of \$0.40 per share for total gross proceeds of \$142,400. BHP has exercised its right to maintain its ownership to 5.0% by acquiring 356,000 shares. This right had been granted to BHP on April 18, 2019 pursuant to an Investor Rights Agreement with the Corporation.

In connection with the private placements, the Corporation incurred \$206,459 share issue expenses, of which \$83,910 was paid as finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$203,000 under the same terms as other investors.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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### 6.3 Policies and processes for managing capital

The capital of the Corporation consists of the items included in equity of \$39,781,064 as of September 30, 2023 (\$38,294,151 as of September 30, 2022). 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 (and the Corporation was in compliance during the year);
- The terms of the 2019 investment agreement with BHP are triggered. Thus, BHP will be granted certain rights as long as BHP holds common shares equal to at least 5% of the issued and outstanding common shares (on a partially diluted basis), including:
  - the right to participate in future equity financings by the Corporation to allow BHP to maintain its then current pro rata non-diluted ownership interest in the Corporation or to increase its ownership interest in the Corporation to a maximum of 19.99%, on a fully-diluted basis;
  - certain top-up rights to subscribe for additional common shares following certain dilutive transactions to allow BHP to maintain its then current pro rata non-diluted ownership interest in the Corporation;
  - the right of first offer for any non-equity financings, including any tolling arrangements, streaming arrangements, forward agreements, off-take agreements or royalty sales relating to any present or future copper exploration projects of the Corporation in Quebec; and
  - the right of first offer on the Mythril project in the event the Corporation seeks to divest all or part of its interest.
  - If BHP holds common shares equal to at least 15% of the issued and outstanding common shares (on a non-diluted basis), BHP will also have the right to designate one director for appointment to the Corporation board of directors.

## 7. EMPLOYEE REMUNERATION

### 7.1 Salaries

	Fiscal 23	Fiscal 22
	\$	\$
Salaries and bonuses	1,405,507	1,306,389
Director fees	113,000	129,666
Benefits	123,517	98,576
	1,642,024	1,534,631
Less: salaries and benefits capitalized in E&E assets	(874,619)	(760,766)
<b>Salaries disclosed on the consolidated statement of comprehensive loss</b>	<b>767,405</b>	<b>773,865</b>



# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

### 7.2 Stock-based compensation

	Fiscal 23	Fiscal 22
	\$	\$
Stock-based compensation	201,871	199,648
Less: stock-based compensation capitalized in the E&E assets	(59,051)	(40,133)
<b>Stock-based compensation disclosed on the consolidated statement of comprehensive loss</b>	<b>142,820</b>	<b>159,515</b>

The Corporation has a stock option plan (the "Plan"). The number of common shares granted is determined by the Board of Directors. On December 8, 2022, the Corporation amended its stock option plan (the "Plan") to increase from 5,790,000 to 8,200,000 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 24, 2022, the Corporation granted to its directors, officers and employees 730,000 options exercisable at \$0.54, 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 \$0.24 per option amounts to a total stock-based compensation cost of \$172,000 considering a forfeiture factor representing the expected employee departures. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 45.4% expected volatility, 1.75% risk-free interest rate and 6 years options expected life.

On February 9, 2023, the Corporation granted to its directors, officers and employees 760,000 options exercisable at \$0.54, 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 \$0.28 per option amounts to a total stock-based compensation cost of \$212,000. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 51.1% expected volatility, 2.96% risk-free interest rate and 6 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 23		Fiscal 22	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
<b>Balance – Beginning of year</b>	5,570,000	0.87	5,245,000	0.96
Granted	760,000	0.54	730,000	0.54
Forfeited	-	-	(30,000)	0.59
Expired	(330,000)	1.25	(375,000)	1.47
<b>Balance – End of year</b>	<b>6,000,000</b>	<b>0.81</b>	<b>5,570,000</b>	<b>0.87</b>
Balance – End of year exercisable	5,493,332	0.83	5,073,333	0.91

# Midland Exploration Inc.

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The following table summarizes information about common share purchase options outstanding and exercisable as at September 30, 2023:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
580,000	580,000	0.85	February 20, 2024
420,000	420,000	0.60	August 13, 2025
485,000	485,000	1.10	August 11, 2026
50,000	50,000	1.13	November 23, 2026
530,000	530,000	1.14	February 21, 2027
100,000	100,000	1.04	May 10, 2027
550,000	550,000	0.89	February 15, 2028
545,000	545,000	1.03	February 18, 2029
605,000	605,000	0.72	February 13, 2030
510,000	510,000	0.82	February 11, 2031
80,000	80,000	0.88	March 18, 2031
80,000	80,000	0.75	September 8, 2031
705,000	705,000	0.54	February 24, 2032
760,000	253,332	0.54	February 9, 2033
<b>6 000 000</b>	<b>5 493 332</b>		

### 7.3 Compensation to key management

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

	Fiscal	Fiscal
	\$	\$
Short-term benefits		
Salaries including bonuses and benefits	735,906	745,346
Professional fees	107,966	82,150
Professional fees recorded in share issue expenses	11,832	8,325
Salaries including bonuses and benefits capitalized in E&E	49,940	30,284
Long-term benefits		
Stock-based compensation	128,479	151,655
<b>Total compensation</b>	<b>1,034,123</b>	<b>1,017,760</b>

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 \$1,220,211.

### 7.4 Related party transactions

In addition to the amounts listed above in the compensation to key management (note 7.3 and elsewhere in the Financial Statements) following are the related party transactions.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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### *In the normal course of operations:*

A firm in which an officer is a partner charged professional fees amounting to \$205,067 (\$121,171 in Fiscal 22) of which \$155,098 (\$91,265 in Fiscal 22) was expensed and \$49,969 (\$29,906 in Fiscal 22) was recorded as share issue expenses;

A company controlled by an officer charged professional fees of \$62,902 (\$53,676 in Fiscal 22) for her staff; and

As at September 30, 2023, the balance due to the related parties amounted to \$12,850 (\$13,735 in September 30, 2022).

## 8. 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 23	Fiscal 22
	\$	\$
Loss	(1,109,216)	(1,900,085)
Weighted average number of basic and diluted outstanding shares	81,689,477	75,009,762
Basic and diluted net loss per share	(0.01)	(0.03)

## 9. INCOME TAXES

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

	Fiscal 23	Fiscal 22
	\$	\$
Deferred income taxes	-	-
Premium on flow-through share issuance	(1,140,043)	(856,355)
<b>Recovery of deferred income taxes</b>	<b>(1,140,043)</b>	<b>(856,355)</b>

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 23	Fiscal 22
	\$	\$
Loss before income taxes	(2,249,259)	(2,756,440)
Combined federal and provincial income tax at 26.50% (26.50% in 2022)	(596,100)	(730,500)
Non-deductible expenses	37,800	42,300
Tax effect of renounced flow-through share expenditures	851,600	625,000
Amortization of flow-through share premiums	(1,140,043)	(856,355)
Unrecognized temporary differences	(265,636)	71,260
Other elements	(27,764)	(8,060)
<b>Recovery of deferred income taxes</b>	<b>(1,140,043)</b>	<b>(856,355)</b>

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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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 nil (\$226,000 as of September 30, 2022).

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

	As of September 30, 2023	As of September 30, 2022
	\$	\$
Deferred income tax assets		
Non-capital losses	5,400,000	4,901,000
Donations	19,000	19,000
Share and warrant issue expenses	86,000	85,000
Lease liabilities	14,000	22,000
Total deferred income tax assets	5,519,000	5,027,000
Deferred income tax liabilities		
E&E assets	5,510,000	4,785,000
Unrealized gain (loss) on listed shares	(2,000)	(2,000)
Right-of-use assets	11,000	18,000
Total deferred income tax liabilities	5,519,000	4,801,000
<b>Deferred income tax assets not recognized</b>	<b>-</b>	<b>226,000</b>

As of September 30, 2023, expiration dates of losses available to reduce future years' income tax are:

	Federal	Provincial
	\$	\$
2026	84,000	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	811,000
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	2,861,000	1,646,000
2041	2,304,000	2,678,000
2042	2,262,000	2,508,000
2043	1,813,000	1,990,000

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

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The balance on flow-through financing not spent according to the restrictions imposed by the December 2021 financings represents \$308,636 as at September 30, 2022. All the exploration work imposed by the November and December 2022 flow-through financings was completed before September 30, 2023.

### 10. 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:

#### 10.1 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, 2023 would result in an estimated effect on the net income (loss) of \$30,226.

#### 10.2 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 2023, 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.

#### 10.3 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, 2023, the Corporation has working capital of \$3,813,449 including cash and cash equivalents of \$2,453,793. 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.

# Midland Exploration Inc.

## Notes to Consolidated Financial Statements

For the years ended September 30, 2023, and 2022

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### 10.4 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.

### 11. ADDITIONAL INFORMATION ON CASH FLOWS

	Fiscal 23	Fiscal 22
	\$	\$
Stock-based compensation included in E&E expenses	59,051	40,133
Additions of exploration properties and E&E expenses included in accounts payable and accrued liabilities	309,948	104,558
Tax credits receivable applied against E&E expenses	254,177	194,878
Listed shares received for option payment	125,000	-
Interest received	150,005	73,168

### 12. SUBSEQUENT EVENTS

#### 12.1 Private Placement

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. In addition, the Corporation completed on November 30, 2023, 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. Finally, on November 16, 2022, the Corporation completed a private placement of 666,666 shares at a price of \$0.45 per share for total gross proceeds of \$300,000. 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.

# Midland Exploration Inc.

## Corporate Information

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### Directors

Paul Archer <sup>2) 3)</sup>

René Branchaud <sup>2)</sup>

Jean des Rivières <sup>1) 3)</sup>

Annie Dutil <sup>1)</sup>

Jean-Pierre Janson, Chairman of the board <sup>1) 2)</sup>

Gino Roger <sup>3)</sup>

### Notes:

1) *Member of the Audit committee*

2) *Member of the Human Resources and Governance Committee*

3) *Member of the Technical Committee*

### Officers

Gino Roger, President and Chief Executive Officer

Mario Masson, Vice-president Exploration

Ingrid Martin, Chief Financial Officer

René Branchaud, Corporate Secretary

### Head Office

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Website : [www.midlandexploration.com](http://www.midlandexploration.com)

### Auditors

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Montréal, Québec, H3B 4Y1

### Legal counsel

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Montréal, Québec, H3B 4M4

### Transfer Agent

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