

2024 SEMI-ANNUAL REPORT

# MRF 2023 RESOURCE

LIMITED PARTNERSHIP





## MIDDLEFIELD CORPORATE PROFILE

The Middlefield Group was established in 1979 and is a Specialty Investment Manager which creates investment products designed to balance risk and return to meet the demanding requirements of Financial Advisors and their clients. These financial products include Exchange-Traded Funds, Mutual Funds, Private and Public Resource Funds, Split Share Corporations, Venture Capital Assets, TSX Publicly Traded Funds and Real Estate Investment Funds and Partnerships.

Middlefield's investment team comprises portfolio managers, analysts and traders. While all of our investment products are designed and managed by Middlefield professionals, some involve strategic partnerships with other "best-in-class" firms that bring unique value to our product offerings. In 2014, we entered into an exclusive arrangement with SSR, LLC, based in Stamford, Connecticut. They provide specialized research into sectors of the economy such as Healthcare and Innovation Technology. SSR is an independent investment firm whose analysts have been highly ranked and are recognized as leaders in their respective fields. Their fundamental company level research is often non-consensus and provides guidance on overall portfolio construction and security selection.

Looking ahead, Middlefield remains committed to managing and developing new and unique investment products to assist Financial Advisors in helping clients achieve their investment objectives.

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### A NOTE ON FORWARD LOOKING STATEMENTS

This document may contain forward looking statements, including statements regarding: the Fund, its strategies, goals and objectives; prospects; future performance or condition; possible future actions to be taken by the Fund; and the performance of investments, securities, issuers or industries in which the Fund may from time to time invest. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future results, events, circumstances, expectations and performance, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and other similar wording. Forward looking statements are not historical facts, but reflect the Fund's current beliefs as of the date of this document regarding future results, events, circumstances, expectations or performance and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Forward looking statements are not guarantees of future performance, and actual results, events, circumstances, expectations or performance could differ materially from those expressed or implied in any forward looking statements contained in this document. Factors which could cause actual results, events, circumstances, expectations or performance to differ materially from those expressed or implied in forward looking statements include, but are not limited to: general economic, political, market and business factors and conditions; commodity price fluctuations; interest and foreign exchange rate fluctuations; global equity and capital markets; the financial condition of each issuer in which the Fund invests; the effects of competition in the industries or geographic areas in which the Fund may invest; statutory and regulatory developments; unexpected judicial or regulatory proceedings; and catastrophic events. Readers are cautioned that the foregoing list of factors is not exhaustive and to avoid placing undue reliance on forward looking statements due to the inherent uncertainty of such statements. The Fund does not undertake, and specifically disclaims, any obligation to update or revise any forward looking statements, whether as a result of new information, future developments, or otherwise.



## 2024 SEMI-ANNUAL COMMENTARY

The S&P 500 generated a total return of 15.3% in the first half of 2024, reaching 33 new all-time highs along the way. The year-to-date return breaks down into 7.1% from improved earnings expectations, 7.4% from expansion in the forward P/E multiple to 21x, and 0.8% from dividends. Sectors linked to the AI thematic led to the upside with Information Technology and Communication Services returning 28% and 27%, respectively. Index heavyweights Microsoft, Nvidia, Apple, Google, Amazon, and Meta contributed to 62% of the index's total return.

The TSX Composite Index generated a total return of 6.1% in H1, lagging the U.S. market by nearly 10%. Half of the performance gap occurred in June when the TSX returned -1.4% compared to 3.6% for the S&P 500. Canada's three largest sectors - Energy, Materials and Financials - all had negative returns in June which explains most of the underperformance.

Gold has performed well in 2024, rising by 12.9% in the first half of the year. Gold demand remains supported by central bank buying, retail investment flows in Asia, and ongoing geopolitical uncertainty. Gold has made headlines this year, breaking record highs multiple times between mid-March and mid-May, trading above US\$2,300/oz for most of Q2. With gold remaining steady above the \$2,300/oz mark, current equity prices imply a gold price that is at a historically large discount to the spot price. The S&P/TSX Gold Sub Industry returned 12.4% in H1'24.

After breaching the US\$5.00/lb level in mid-May, the price of copper has fallen as investors have shifted their focus to demand in China. Despite the decline in June (-4.4%), copper remains a strong performer in the commodities group, up over 12.2% in H1'24. A structural supply deficit is emerging in the copper market driven by declining grades, resource depletion, and increased input costs. Ultimately, these supply dynamics should dictate the direction of copper prices over the medium-to-long term.

Middlefield Resource Funds currently comprises three funds, Discovery 2023, MRF 2023, and MRF 2024. The objective of the funds is to generate attractive tax-advantaged returns from a diversified portfolio of resource companies. To generate these tax benefits, the funds invest in flow-through common shares.

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Oil hit a 4-month low after the June 2 OPEC meeting where the cartel agreed to gradually phase out voluntary cuts of 2.2 million bpd over the course of 12 months. What was perhaps overlooked in the announcement is that OPEC's decision to return barrels to the market is closely tied to supply/demand conditions.

The latest round of monthly reports from the IEA, OPEC and EIA support firm global oil demand. With summer travel season kicking into high-gear and supply still being managed by OPEC+, oil prices rose 6.3% in June and finished above US\$80/bbl. In Canada, the Trans Mountain expansion continues to ramp up smoothly. In mid-June, the company stated that the pipeline was operating at 80% of capacity, or in line with contracted volumes.

Natural gas prices have recovered from historically low levels of sub-US\$2.00/mcf to momentarily break through US\$3.00/mcf in mid-June. The start of summer has been hot, leading to higher power burn per cooling degree day. With LNG terminal maintenance completed, a hot start to summer and increased power demand from data centres, gas prices may have room to rise further in H2.



**Dennis da Silva**  
Managing Director & Senior Portfolio Manager  
Middlefield Capital Corporation

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

## FOR THE SIX MONTH ENDED JUNE 30, 2024

This interim management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. This report should be read in conjunction with the complete interim financial report of the investment fund that follows this report. The interim financial report has not been reviewed by the investment fund's external auditors.

Unitholders may contact us by calling 1-888-890-1868, by writing to us at Middlefield Group at one of the addresses on the back cover or by visiting our website at [www.middlefield.com](http://www.middlefield.com) to request a copy of the investment fund's annual financial statements, proxy voting policies and procedures or quarterly portfolio disclosure. The investment fund has obtained exemptive relief from the requirement to prepare and file a proxy voting disclosure record.

### Management's Discussion of Fund Performance

#### Investment Objectives and Strategies

The investment objectives of MRF 2023 Resource Limited Partnership (the "Fund"), are to provide unitholders with capital appreciation and significant tax benefits to enhance after-tax returns. In order to achieve the Fund's investment objectives, all available proceeds are invested by the Fund in an actively managed, diversified portfolio comprised primarily of equity securities of Canadian companies involved primarily in the resource sector. The Fund initially invests in common shares or warrants issued on a flow-through basis by resource companies such that the resulting expenditures renounced to the Fund provide tax deductions to the Fund equal to 100% of the gross proceeds of the initial offering which closed on February 23, 2023.

#### Results of Operations

##### Investment Performance

The Fund raised \$20.8 million in early 2023 for investing in flow-through common shares or warrants of Canadian resource companies. As at June 30, 2024, the invested portfolio assets were primarily comprised of companies operating in the gold sector with the balance invested in issuers in the energy, metals and mining, uranium and precious metals and minerals sectors.

At June 30, 2024, the Fund's net asset value per Class A was \$13.58 per unit, representing a total after-tax return on money-at-risk of 7% for an Ontario investor taxed at the highest marginal tax rate. At June 30, 2024, the Fund's net asset value per Class F was \$14.20 per unit, representing a total after-tax return on money-at-risk of 12% for an Ontario investor taxed at the highest marginal tax rate.

#### Revenue and Expenses

Investment income for the period ended June 30, 2024 amounted to approximately \$62,000 and was comprised primarily of income generated from investments. Operating expenses for the period totalled approximately \$222,000. The management expense ratio ("MER") was 3.00% for Class A and 3.00% for Class F for the period ended June 30, 2024. Excluding issuance costs and interest expenses, the MER was 2.83% for Class A and 2.84% for Class F for the period ended June 30, 2024. The loss for the period amounted to \$5.0 million. It is not the intention of the Fund to generate net investment income but instead, as described earlier, to generate capital appreciation and significant tax benefits over the life of the Fund.

On a per unit basis, the net assets per Class A attributable to unitholders of the Fund decreased by 30.4% from \$19.51 on December 31, 2023 to \$13.58 on June 30, 2024. On a per unit basis, the net assets per Class F attributable to unitholders of the Fund decreased by 30.4% from \$20.40 on December 31, 2023 to \$14.20 on June 30, 2024. A loss on investments of \$4.8 million has been recorded during the period ended June 30, 2024.

#### Trends

Gold has performed well in 2024, rising by 12.9% in the first half of the year. Gold demand remains supported by central bank buying, retail investment flows in Asia, and ongoing geopolitical uncertainty. Gold has made headlines this year, breaking record highs multiple times between mid-March and mid-May, trading above US\$2,300/oz for most of Q2. With gold remaining steady above the \$2,300/oz mark, current equity prices imply a gold price that is at a historically large discount to the spot price. The S&P/TSX Gold Sub Industry returned 12.4% in H1'24 and we expect the prevailing discount to narrow in H2.

#### Related Party Transactions

Pursuant to a management agreement, Middlefield Limited (the "Manager") receives a management fee. For further details, please see the "Management Fees" section of this report. Middlefield Capital Corporation ("MCC" or the "Advisor"), the advisor to the Fund and a company under common control with the Manager receives an advisory fee. For further details, please see the notes to the financial statements.



# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

## FOR THE SIX MONTHS ENDED JUNE 30, 2024

### Management Fees

Management fees and fees in respect of portfolio advisory services together are calculated at 2.0% per annum of the net asset value of the Fund and are paid to the Manager and the Advisor. The Manager receives fees for the general administration of the Fund, including maintaining the accounting records, executing securities trades, monitoring compliance with regulatory requirements, and negotiating contractual agreements, among other things. The Advisor receives fees for providing investment management advice, including advice in respect of securities selection for the portfolio of securities, in accordance with the investment objectives and strategies of the Fund.

### Credit Facility

The Fund had a prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund. As at June 30, 2024, the Fund had a loan payable of \$nil. The minimum and maximum amounts borrowed during the period ended June 30, 2024 were \$nil and \$1.4 million, respectively. The loan

proceeds were used to finance expenses incurred by the Fund, in order to maximize the allocation of initial offering gross proceeds towards the purchase of flow-through shares.

### Financial Highlights

Net Assets Attributable to Unitholders are calculated in accordance with International Financial Reporting Standards ("IFRS").

"Net Asset Value" is calculated in accordance with section 14.2 of National Instrument 81-106 "Investment Fund Continuous Disclosure" ("NI 81-106") and is used for transactional pricing purposes.

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the indicated periods. Ratios and Supplemental Data are derived from the Fund's Net Asset Value.

### The Fund's Net Assets Attributable to Unitholders Per Class A Unit<sup>(1)</sup>

	June 30, 2024 <sup>(5)</sup>	December 31, 2023 <sup>(4)</sup>
Net Assets Attributable to Unitholders, Beginning of Period	\$ 19.51	\$ 22.97*
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>		
Total Revenue	0.07	0.32
Total Expenses <sup>(3)</sup>	(0.28)	(0.53)
Realized Gains (Losses) for the Period	(5.75)	-
Unrealized Gains (Losses) for the Period	0.03	(3.38)
<b>TOTAL INCREASE (DECREASE) FROM OPERATIONS<sup>(2)</sup></b>	<b>(5.93)</b>	<b>(3.46)</b>
Net Assets Attributable to Unitholders, End of Period	\$ 13.58	\$ 19.51

### The Fund's Net Assets Attributable to Unitholders Per Class F Unit<sup>(1)</sup>

	June 30, 2024 <sup>(5)</sup>	December 31, 2023 <sup>(4)</sup>
Net Assets Attributable to Unitholders, Beginning of Period	\$ 20.40	\$ 23.86*
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>		
Total Revenue	0.08	0.33
Total Expenses <sup>(3)</sup>	(0.29)	(0.56)
Realized Gains (Losses) for the Period	(6.02)	-
Unrealized Gains (Losses) for the Period	0.03	(3.51)
<b>TOTAL INCREASE (DECREASE) FROM OPERATIONS<sup>(2)</sup></b>	<b>(6.20)</b>	<b>(3.46)</b>
Net Assets Attributable to Unitholders, End of Period	\$ 14.20	\$ 20.40

<sup>(1)</sup> This information is derived from the Fund's audited annual financial statements and unaudited interim financial report.

<sup>(2)</sup> Net Assets Attributable to Unitholders are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This schedule is not a reconciliation of Net Asset Value since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets Attributable to Unitholders and accordingly columns may not add.

<sup>(3)</sup> There were no distributions paid by the Fund.

<sup>(4)</sup> For the period February 23, 2023 (date of commencement of operations) to December 31, 2023.

<sup>(5)</sup> As at June 30, 2024 or for the six-month period ended June 30, 2024, as applicable.

\*Initial issue price, net of agents' fees and initial issue costs.

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

## FOR THE SIX MONTHS ENDED JUNE 30, 2024

### Ratios and Supplemental Data – Class A

	June 30, 2024 <sup>(5)</sup>	December 31, 2023 <sup>(4)</sup>
Total Net Asset Value (000s)	\$ 8,512	\$ 12,225
Number of Units Outstanding	626,609	626,609
Management Expense Ratio ("MER") <sup>(1)</sup>	3.00%	10.76%
MER (excluding interest expense and issuance costs) <sup>(1)</sup>	2.83%	3.07%
Trading Expense Ratio <sup>(2)</sup>	0.47%	-
Portfolio Turnover Rate <sup>(3)</sup>	29.55%	-
Net Asset Value per Unit	\$ 13.58	\$ 19.51

### Ratios and Supplemental Data – Class F

	June 30, 2024 <sup>(5)</sup>	December 31, 2023 <sup>(4)</sup>
Total Net Asset Value (000s)	\$ 2,915	\$ 4,187
Number of Units Outstanding	205,220	205,220
Management Expense Ratio ("MER") <sup>(1)</sup>	3.00%	6.71%
MER (excluding interest expense and issuance costs) <sup>(1)</sup>	2.84%	3.19%
Trading Expense Ratio <sup>(2)</sup>	0.47%	-
Portfolio Turnover Rate <sup>(3)</sup>	29.55%	-
Net Asset Value per Unit	\$ 14.20	\$ 20.40

<sup>(1)</sup> The MER is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of average Net Asset Value during the period. The MER (excluding interest expense and issuance costs) has been presented separately as it expresses only the ongoing management and administrative expenses of the Fund as a percentage of average Net Asset Value. Issuance costs are one-time costs incurred at inception, and the inclusion of interest expense does not consider the additional earnings that have been generated from the investment of the leverage.

<sup>(2)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average Net Asset Value during the period.

<sup>(3)</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio investments are managed. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

<sup>(4)</sup> For the period February 23, 2023 (date of commencement of operations) to December 31, 2023.

<sup>(5)</sup> As at June 30, 2024 or for the six-month period ended June 30, 2024, as applicable.



# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

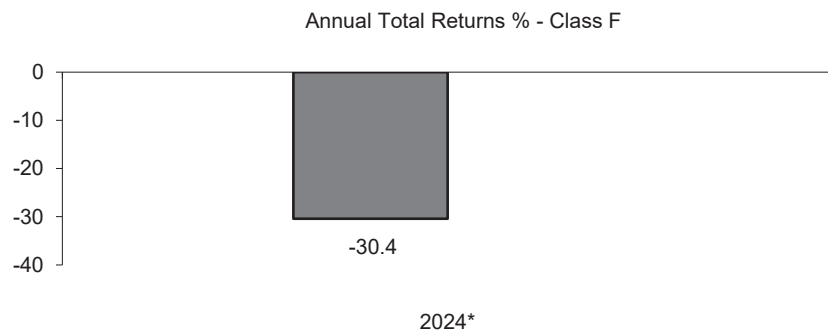
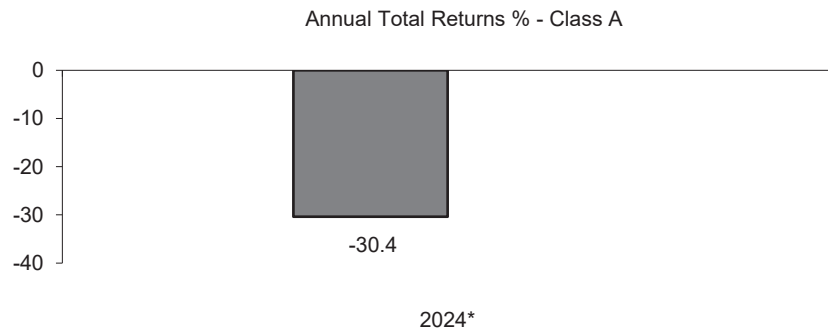
## FOR THE SIX MONTHS ENDED JUNE 30, 2024

### Past Performance

The performance information shown, which is based on Net Asset Value, diluted where applicable, assumes that all distributions paid by the Fund in the years shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

### Year-By-Year Returns

The bar charts show how the Fund's performance has varied from year to year for each of the year shown. The return for 2023 is not presented since it relates to a partial period. The charts indicate, in percentage terms, how much an investment made the first day of the financial period would have grown or decreased by the last day of the financial period.



\*For the six-month period ended June 30, 2024.

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

## FOR THE SIX MONTHS ENDED JUNE 30, 2024

### Summary of Investment Portfolio

AS AT JUNE 30, 2024

Top Twenty-Five Holdings

DESCRIPTION	% OF NET ASSET VALUE
1 White Gold Corp.	5.2
2 Goldshore Resources Inc.	4.7
3 Tourmaline Oil Corp.	4.3
4 O3 Mining Inc.	4.3
5 Thesis Gold Inc.	4.2
6 Tamarack Valley Energy Ltd.	4.1
7 Teck Resources Ltd.	4.0
8 Headwater Exploration Inc.	3.8
9 West Red Lake Gold Mines Ltd.	3.8
10 First Quantum Minerals Limited	3.5
11 Brixton Metals Corp.	3.3
12 Stillr Gold Inc.	3.2
13 Atha Energy Corp.	2.9
14 Hudbay Minerals Inc.	2.8
15 Paramount Resources Ltd.	2.7
16 ARC Resources Ltd.	2.7
17 Sitka Gold Corp.	2.6
18 Meg Energy Corp.	2.6
19 Denison Mines Corp.	2.4
20 Tudor Gold Corp.	2.4
21 Klondike Gold Corp.	2.4
22 Cenovus Energy Inc.	2.4
23 Kuya Silver Corp.	2.3
24 Galway Metals Inc.	2.2
25 Red Pine Exploration Inc.	1.6

"Top Twenty-Five Holdings" excludes any temporary cash investments.

ASSET CLASS	% OF NET ASSET VALUE
Gold	48.7
Energy	22.6
Metals and Mining	15.3
Uranium	6.6
Precious Metals and Minerals	2.7
Cash and Short-Term Investments	4.8
Other Assets (Liabilities)	(0.7)
	100.0

TOTAL NET ASSET VALUE \$ 11,427,022

The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions.  
Please visit [www.middlefield.com](http://www.middlefield.com) for the most recent quarter-end Summary of Investment Portfolio.

# **FINANCIAL STATEMENTS**





## INTERIM FINANCIAL REPORT

### NOTICE

The accompanying unaudited financial statements of MRF 2023 Resource Limited Partnership for the period ended June 30, 2024 have been prepared by management and have not been reviewed by the external auditors of the Fund.



Jeremy Brasseur  
Director  
Middlefield Limited



Craig Rogers  
Director  
Middlefield Limited

August 23, 2024

# INTERIM FINANCIAL REPORT

UNAUDITED

## Statements of Financial Position

AS AT (In Canadian Dollars)	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Investments at Fair Value through Profit or Loss	\$ 10,952,461	\$ 17,750,501
Cash	549,891	224,038
Interest and Other Receivables	9,687	-
<b>Total Assets</b>	<b>11,512,039</b>	<b>17,974,539</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Loan Payable (Note 8)	-	1,413,147
Accounts Payable and Accrued Liabilities (Note 7)	85,017	148,522
<b>Total Liabilities (Excluding Net Assets Attributable to Unitholders)</b>	<b>85,017</b>	<b>1,561,669</b>
<b>Net Assets Attributable to Unitholders</b>	<b>\$ 11,427,022</b>	<b>\$ 16,412,870</b>
<b>Net Assets Attributable to Unitholders – Class A</b>	<b>\$ 8,511,926</b>	<b>\$ 12,225,463</b>
<b>Net Assets Attributable to Unitholders – Class F</b>	<b>\$ 2,915,096</b>	<b>\$ 4,187,407</b>
<b>Units Issued and Outstanding – Class A (Note 3F)</b>	<b>626,609</b>	<b>626,609</b>
<b>Units Issued and Outstanding – Class F (Note 3F)</b>	<b>205,220</b>	<b>205,220</b>
<b>Net Assets Attributable to Unitholders per Unit – Class A</b>	<b>\$ 13.58</b>	<b>\$ 19.51<sup>(1)</sup></b>
<b>Net Assets Attributable to Unitholders per Unit – Class F</b>	<b>\$ 14.20</b>	<b>\$ 20.40<sup>(1)</sup></b>

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

Approved by the Board of Directors of Middlefield Limited, as Manager:



Director: Jeremy Brasseur



Director: Craig Rogers

<sup>(1)</sup>The Net Assets Attributable to Unitholders per Unit for Class A and Class F reflect the revised valuation of Neotech Metals Corp. based on information available subsequent to December 31, 2023. As such, the Net Assets Attributable to Unitholders per Unit for Class A and Class F in the above Statements of Financial Position are different from the Net Assets Attributable to Unitholders per Unit for Class A and Class F published on [www.middlefield.com](http://www.middlefield.com) for December 29, 2023.

# INTERIM FINANCIAL REPORT

## UNAUDITED

### Statements of Comprehensive Income

FOR THE SIX MONTHS ENDED JUNE 30

TAX SHELTER IDENTIFICATION NUMBER (NOTE 6): TS095547

(In Canadian Dollars)	2024	2023*
<b>REVENUE (LOSS)</b>		
Interest Income	\$ 14,543	\$ 138,432
Income from Investments	47,466	-
Foreign exchange Gain (Loss) on cash	(6)	-
<b>Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>		
Net Realized Gain (Loss) from Investment Transactions excluding Derivatives	(4,836,256)	-
Change in Net Unrealized Gain (Loss) on Investments excluding Derivatives	22,007	(22,791)
Change in Net Unrealized Gain (Loss) on Foreign Currency Transactions	(6)	-
<b>Total Revenue (Loss)</b>	<b>(4,752,252)</b>	<b>115,641</b>
<b>OPERATING EXPENSES (Note 7)</b>		
Advisory Fee	7,319	10,104
Audit Fees	7,949	9,874
Custodial Fees	736	913
Fund Administration Costs	25,004	31,792
Independent Review Committee Fees	1,153	-
Management Fee (Note 7)	139,774	132,133
Transaction Costs (Note 7)	31,891	-
Unitholder Reporting Costs	8,593	22,734
<b>Total Operating Expenses</b>	<b>222,419</b>	<b>207,550</b>
Operating Profit (Loss)	(4,974,671)	\$ (91,909)
Finance Costs (Note 8)	11,177	-
<b>Profit (Loss)</b>	<b>\$ (4,985,848)</b>	<b>(91,909)</b>
<b>Increase (Decrease) in Net Assets Attributable to Unitholders</b>	<b>\$ (4,985,848)</b>	<b>\$ (91,909)</b>
<b>Increase (Decrease) in Net Assets Attributable to Unitholders – Class A</b>	<b>\$ (3,713,537)</b>	<b>\$ (70,371)</b>
<b>Increase (Decrease) in Net Assets Attributable to Unitholders – Class F</b>	<b>\$ (1,272,311)</b>	<b>\$ (21,538)</b>
<b>Increase (Decrease) in Net Assets Attributable to Unitholders per Unit – Class A (Note 3F)</b>	<b>\$ (5.93)</b>	<b>\$ (0.11)</b>
<b>Increase (Decrease) in Net Assets Attributable to Unitholders per Unit – Class F (Note 3F)</b>	<b>\$ (6.20)</b>	<b>\$ (0.10)</b>

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

\*For the period February 23, 2023 (date of commencement of operations) to June 30, 2023.



# INTERIM FINANCIAL REPORT

## UNAUDITED

### Statements of Changes in Net Assets Attributable to Unitholders

FOR THE SIX MONTHS ENDED JUNE 30, 2024

(In Canadian Dollars)	Class A	Class F	Total
Net Assets Attributable to Unitholders at Beginning of Period	\$ 12,225,463	\$ 4,187,407	\$ 16,412,870
Increase (Decrease) in Net Assets Attributable to Unitholders	(3,713,537)	(1,272,311)	(4,985,848)
Net Assets Attributable to Unitholders at End of Period	\$ 8,511,926	\$ 2,915,096	\$ 11,427,022

FOR THE PERIOD FEBRUARY 23, 2023 (DATE OF COMMENCEMENT OF OPERATIONS) TO JUNE 30, 2023

(In Canadian Dollars)	Class A	Class F	Total
Net Assets Attributable to Unitholders at Beginning of Period	\$ -	\$ -	\$ -
Increase (Decrease) in Net Assets Attributable to Unitholders	(70,371)	(21,538)	(91,909)
Proceeds from Issue of Units	15,665,225	5,130,500	20,795,725
Payment of Agents' Fees	(900,751)	(115,436)	(1,016,187)
Payment of Issue Costs	(395,036)	(95,879)	(490,915)
Net Assets Attributable to Unitholders at End of Period	\$ 14,299,067	\$ 4,897,647	\$ 19,196,714

### Statements of Cash Flows

FOR THE SIX MONTHS ENDED JUNE 30

(In Canadian Dollars)	2024	2023*
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets Attributable to Unitholders	\$ (4,985,848)	\$ (91,909)
Adjustments:		
Proceeds from Sale of Investments	5,859,705	-
Purchases of Investments	(3,875,914)	(11,407,442)
Foreign Exchange (Gain) Loss	12	-
Net Realized (Gain) Loss from Investment Transactions	4,836,256	-
Change in Net Unrealized (Gain) Loss on Investments	(22,007)	22,791
	1,812,204	(11,476,560)
Net Change in Non-Cash Working Capital	(73,192)	312,654
Net Cash from (used) in Operating Activities	1,739,012	(11,163,906)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from Issue of Units	-	20,795,725
Payment of Agents' Fees	-	(1,016,187)
Payment of Issue Costs	-	(490,915)
Repayment of Loans	(1,413,147)	-
Net Cash from (used in) Financing Activities	(1,413,147)	19,288,623
Net Increase (Decrease) in Cash	325,865	8,124,717
Foreign Exchange Gain (Loss)	(12)	-
Cash at Beginning of Period	224,038	-
Cash at End of Period	\$ 549,891	\$ 8,124,717

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

\*For the period February 23, 2023 (date of commencement of operations) to June 30, 2023.

# INTERIM FINANCIAL REPORT

## UNAUDITED

### Schedule of Investment Portfolio

AS AT JUNE 30, 2024  
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Brixton Metals Corp.	4,000,000	\$ 680,000	\$ 380,000
Brixton Metals Corp. - Warrants, 20 November 2025	3,000,000	-	35,040
Cartier Resources Inc.	2,000,000	200,000	140,000
Exploits Discovery Corp.	2,500,000	275,000	187,500
Galway Metals Inc.	700,000	420,000	248,500
Goldshore Resources Inc.	2,000,000	390,000	540,000
Goldshore Resources Inc. - Warrants, 13 April 2025	1,500,000	-	118,500
Goldstorm Metals Corp.	1,250,000	250,000	118,750
Goldstorm Metals Corp. - Warrants, 15 December 2025	625,000	-	3,525
iMetal Resources Inc. - Warrants, 06 April 2025	100,000	-	-
Kirkland Lake Discoveries - Warrants, 30 May 2025	2,750,000	-	9,625
Kirkland Lake Discoveries Corp.	2,000,000	550,000	120,000
Klondike Gold Corp.	3,000,000	345,000	270,000
Klondike Gold Corp. - Warrants, 28 April 2025	3,500,000	-	11,935
O3 Mining Inc.	365,200	595,276	493,020
Omineca Mining and Metals Ltd. - Warrants, 23 March 2026	4,500,000	-	166,770
P2 Gold Inc. - Warrants, 4 May 2025	937,500	-	6,422
Rackla Metals Inc. - Warrants, 19 September 2025	1,000,000	-	22,830
Red Pine Exploration Inc.	2,218,180	488,000	188,545
Signal Gold Inc. - Warrants, 1 December 2024	625,000	-	19
Sitka Gold Corp.	2,000,000	220,000	300,000
Sitka Gold Corp. - Warrants, 24 July 2025	1,125,000	-	45,990
Stillr Gold Inc.	300,000	657,143	363,000
Sun Summit Minerals Corp. - Warrants, 10 May 2025	833,333	-	13,025
Thesis Gold Inc.	800,000	744,000	480,001
Tudor Gold Corp.	400,000	512,000	272,000
Tudor Gold Corp. - Warrants, 13 April 2025	737,500	-	7,493
West Red Lake Gold Mines Ltd.	700,000	490,000	434,000
White Gold Corp.	2,275,000	750,750	591,500
<b>GOLD: 48.3%</b>		<b>7,567,169</b>	<b>5,567,990</b>
ARC Resources Ltd.	12,500	282,321	305,125
Cenovus Energy Inc.	10,000	244,005	268,900
Headwater Exploration Inc.	60,000	399,520	434,999
Meg Energy Corp.	10,000	253,255	292,700
Paramount Resources Ltd.	10,000	278,316	310,800
Tamarack Valley Energy Ltd.	125,000	460,905	466,250
Tourmaline Oil Corp.	8,000	473,800	496,400
<b>ENERGY: 22.4%</b>		<b>2,392,122</b>	<b>2,575,174</b>
Eureka Lithium Corp.	70,000	420,000	42,000
Eureka Lithium Corp. - Warrants, 31 May 2025	50,000	-	455
First Quantum Minerals Limited	22,000	244,200	395,339
Hudbay Minerals Inc.	26,000	336,198	321,880
Kodiak Copper Corp. - Warrants, 21 April 2025	75,000	-	467
Neotech Metals Corp.	500,000	250,000	127,500
Neotech Metals Corp. - Warrants, 6 October 2025	250,000	-	8,538
Pan American Energy Corp.	500,000	250,000	42,500
Pan American Energy Corp. - Warrants, 13 December 2025	250,000	-	2,750
Targa Exploration Corp.	1,500,000	255,000	138,750
Targa Exploration Corp. - Warrants, 22 December 2025	750,000	-	18,540
Teck Resources Ltd.	7,000	416,544	458,919
Volt Lithium Corp. - Warrants, 4 August 2025	950,000	19,015	49,942
Vortex Energy Corp.	580,000	249,400	124,700
Vortex Energy Corp. - Warrants, 22 December 2025	580,000	-	13,207
VR Resources Ltd. - Warrants, 19 October 2025	937,500	-	1,191
<b>METALS AND MINING: 15.2%</b>		<b>\$ 2,440,357</b>	<b>\$ 1,746,678</b>

# INTERIM FINANCIAL REPORT

UNAUDITED

## Schedule of Investment Portfolio (continued)

AS AT JUNE 30, 2024

(In Canadian Dollars)

Description	No. of Securities		Average Cost	Fair Value
Atha Energy Corp.	500,000	\$	758,397	\$ 330,000
Baselode Energy Corp. - Warrants, 10 May 2025	500,000		-	200
Denison Mines Corp.	100,000		298,765	274,000
Latitude Uranium Inc. - Warrants, 5 April 2026	1,500,000		-	34,500
Purepoint Uranium Group Inc.	2,206,000		115,815	66,180
Purepoint Uranium Group Inc. - Warrants, 13 December 2025	4,760,000		-	49,647
Traction Uranium Corp. - Warrants, 9 May 2025	555,500		-	1,461
<b>URANIUM: 6.6%</b>			1,172,977	755,988
Kuya Silver Corp.	715,000		200,200	260,975
Kuya Silver Corp. - Warrants, 28 December 2025	357,500		-	45,656
<b>PRECIOUS METALS AND MINERALS: 2.7%</b>			200,200	306,631
<b>TRANSACTION COSTS (Note 7)</b>			(6,880)	-
TOTAL INVESTMENTS: 95.2%			13,765,945	10,952,461
CASH: 4.8%			549,891	549,891
Total Investment Portfolio, Including Cash		\$	14,315,836	\$ 11,502,352

# NOTES TO FINANCIAL STATEMENTS



# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 1. MRF 2023 Resource Limited Partnership

MRF 2023 Resource Limited Partnership (the "Fund") was formed as a limited partnership pursuant to a certificate under the laws of the Province of Alberta dated December 20, 2022 and commenced operations on February 23, 2023. The principal purpose of the Fund is to invest in an actively managed, diversified portfolio comprised primarily of equity securities of Canadian companies involved primarily in the resource sector. Pursuant to a prospectus dated January 26, 2023 (the "Prospectus"), Limited Partners subscribed for 626,609 Class A units and 205,220 Class F units of limited partnership interest. The general partner of the Fund is Middlefield Resource Corporation (the "General Partner"). The Manager of the Fund is Middlefield Limited (the "Manager") and Middlefield Capital Corporation, a company under common control with the Manager, is an advisor to the Fund ("MCC" or the "Advisor"). The address of the Fund's registered office is The Well, 8 Spadina Ave., Suite 3100, Toronto, Ontario. These financial statements, expressed in Canadian Dollars, were authorized for issuance by the board of directors of the Manager on August 23, 2024.

## 2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including International Accounting Standards 34 Interim Financial Reporting, as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

## 3. Summary of Material Accounting Policies

### A. Basis of Accounting

#### IFRS 9 *Financial Instruments* ("IFRS 9")

The Fund classifies and measures financial instruments in accordance with IFRS 9 which requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Fund's financial assets and liabilities are classified at fair value through profit or loss ("FVTPL") and amortized cost.

#### Classification, Measurement, Impairment and Hedge Accounting

The Fund classifies its investments in debt and equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken. Consequently, these financial assets are mandatorily measured at FVTPL.

Financial assets or financial liabilities held for trading are those acquired principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit taking. All derivatives and short positions are included in this category and mandatorily measured at FVTPL. The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 uses the expected credit loss model ("ECL"), as the new impairment model for financial assets carried at amortized cost. The Fund's financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime of ECLs. Given the short-term nature and high credit quality of the trade receivables, there are no expected credit losses associated with them and they are not considered impaired at the reporting dates.

The Fund does not apply general hedge accounting to any of its derivatives positions.

# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 3. Summary of Material Accounting Policies (continued)

### B. Financial Instruments

The Fund's financial instruments may include: short-term investments, equities, derivatives (collectively referred to as "investments"), cash, accounts receivable – portfolio securities sold, income and interest receivable, accounts receivable, prepaid interest, prepaid expenses, loan payable, accounts payable – portfolio securities purchased and accounts payable and accrued liabilities. The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at fair value. The Fund's Net Assets Attributable to Unitholders are measured at fair value. The Fund's obligation for net assets attributable to unitholders is presented at its net asset value ("NAV"). All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its NAV for transactions with unitholders.

The Fund only offsets financial assets and financial liabilities if the Fund has a legally enforceable right to offset recognized amounts and either intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

### C. Fair Value Measurement

The Fund's own credit risk and the credit risk of the counterparty are taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Investments and futures contracts are valued at fair value using the policies described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

### D. Limited Partnership Units and Net Assets Attributable to Unitholders

The Fund has three classes of units, the Class A and Class F transferable limited partnership units held by the Limited Partner (the "Limited Partner units") and the unit held by the General Partner representing 0.01% interest in the Fund (the "General Partner unit"). The Fund has a limited life as liquidation is certain to occur and there is a contractual obligation for the Fund to deliver to unitholders a pro-rata share of its net assets on termination of the Fund (see Note 10). The Limited Partner units are not subordinate to the General Partner unit. Therefore, in accordance with the classification requirements of IFRS, the Limited Partner units are classified as liabilities and are measured at their net asset value.

### E. Investment Transactions and Income Recognition

Investment transactions are accounted for as of the trade date and any realized gains or losses from such transactions are calculated on an average cost basis. The change in the difference between fair value and average cost of the investments is recorded as unrealized gain (loss) on investments. Income from investments is recognized on the ex-dividend or ex-distribution date. Interest income on bank deposits is recognized on an accrual basis. For income tax purposes, the adjusted cost base of flow-through shares is deemed to be \$nil and, therefore, upon disposition of such shares, the amount of capital gain for tax purposes generally will equal the proceeds of disposition and will be allocated to the Limited Partners based upon their proportionate share of the Fund.



# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 3. Summary of Material Accounting Policies (continued)

### F. Increase (Decrease) in Net Assets Attributable to Unitholders per Unit

Increase (Decrease) in Net Assets Attributable to Unitholders per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets divided by the respective units outstanding during the period.

### G. Allocation of Net Income and Loss

The net income of the Fund for each fiscal period is allocated 0.01% to the General Partner and the balance, along with 100% of the net loss of the Fund, among the Limited Partners in proportion to the number of CEE units held by each of them at the end of each period. The Fund is not itself a taxable entity. Accordingly, no provision for income taxes is required.

### H. Foreign Currency Translation

Foreign currency amounts are translated into Canadian dollars as follows: fair value of investments and other assets and liabilities, at the closing rate of exchange on each business day; income and expenses and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

### I. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

#### Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The majority of the Fund's investments and transactions are denominated in Canadian dollars. Investor subscriptions and redemptions are also received and paid in Canadian dollars. Accordingly, management has determined that the functional currency of the Fund is Canadian dollars.

#### Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 4 for further information about the fair value measurement of the Fund's financial instruments.

## 4. Fair Value Disclosure

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The tables below summarize the fair value of the Fund's financial instruments as at June 30, 2024 and December 31, 2023 using the following fair value hierarchy:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
Level 3	Inputs that are unobservable and where there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 4. Fair Value Disclosure (continued)

As at June 30, 2024

Description	Level 1		Level 2		Level 3		Total
Equities	\$	9,441,260	\$	843,475	\$	-	\$ 10,284,735
Warrants		-		667,726		-	667,726
Total	\$	9,441,260	\$	1,511,201	\$	-	\$ 10,952,461

As at December 31, 2023

Description	Level 1		Level 2		Level 3		Total
Equities	\$	14,842,334	\$	888,800	\$	-	\$ 15,731,134
Warrants		-		2,019,367		-	2,019,367
Total	\$	14,842,334	\$	2,908,167	\$	-	\$ 17,750,501

All fair value measurements are recurring. The carrying values of cash, interest and other receivables, prepaid interest, loan payable, accounts payable and accrued liabilities and the Fund's obligation for net assets attributable to unitholders approximate their fair values due to their short-term nature.

Fair values of the Fund's investments are classified as Level 1 when the related security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The Fund's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the transfer for transfers in and out of Level 3. No transfers between levels have occurred during the periods ended June 30, 2024 and December 31, 2023.

## 5. Financial Risk Management

In the normal course of business, the Fund is exposed to a variety of financial risks: price risk, interest rate risk, liquidity risk, credit risk and concentration risk. The Fund's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Fund's risks and related exposures are consistent with its objectives and risk tolerance.

Most of the Fund's risks are derived from its investments. The value of the investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, commodity prices, the market and company news related to specific securities within the Fund. The investments are made in accordance with the Fund's risk management policies. The policies establish investment objectives, strategies, criteria and restrictions. The objectives of these policies are to identify and mitigate investment risk through a disciplined investment process and the appropriate structuring of each transaction.

### A. Price Risk

Price risk is the risk that changes in the prices of the Fund's investments will affect the Fund's income or the value of its financial instruments. The Fund's price risk is driven primarily by volatility in commodity and equity prices. Rising commodity and equity prices may increase the price of an investment while declining commodity and equity prices may have the opposite effect. In particular, the Fund had large investments in three securities which represent 14.2% of the Fund's net assets as at June 30, 2024: White Gold Corp. (5.2%), Goldshore Resources Inc. (4.7%), and Tourmaline Oil Corp. (4.3%). The Fund mitigates price risk by making investing decisions based upon various factors, including comprehensive fundamental analysis prepared by industry experts to forecast future commodity and equity price movements. The Fund's market positions are monitored on a daily basis by the portfolio manager and regular financial reviews of publicly available information related to the Fund's investments are performed to ensure that any risks are within established levels of risk tolerance. The Fund is exposed to price risk through the following financial instrument:

	June 30, 2024	December 31, 2023
Investments at FVTPL	\$ 10,952,461	\$ 17,750,501

Based on the above exposure at June 30, 2024, a 10% increase or decrease in the prices of the Fund's investments would result in a \$1,095,246 (December 31, 2023 - \$1,775,050) increase or decrease in net assets of the Fund, with all other factors held constant.

# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 5. Financial Risk Management (continued)

### B. Interest Rate Risk

Interest rate risk describes the Fund's exposure to changes in the general level of interest rates. Interest rate risk arises when the Fund invests in interest-bearing financial assets such as cash and utilizes financial liabilities such as loan payable. In respect of cash balances and loan payable, the Fund's interest income and expense are positively correlated to interest rates in that rising interest rates increase both interest income and expense while the reverse is true in a declining interest rate environment. The Fund has not hedged its exposure to interest rate movements. The Fund seeks to mitigate this risk through active management, which involves monitoring debt levels and analysis of economic indicators to forecast Canadian and global interest rates. The Fund is exposed to interest rate risk through the following financial instruments:

	June 30, 2024	December 31, 2023
Cash	\$ 549,891	\$ 224,038
Loan Payable	-	(1,413,147)
Net Exposure	\$ 549,891	\$ (1,189,109)

Based on the above exposures at June 30, 2024, a 1% per annum increase or decrease in interest rates would result in a \$5,499 increase or decrease (December 31, 2023 - \$11,891 decrease or increase) in net assets of the Fund, with all other factors held constant.

### C. Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations when due. The Fund has a prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund. The Fund's other obligations are due within one year. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily sold and by borrowing under its prime brokerage services agreement. The Fund retains sufficient cash to maintain liquidity and comply with liquidity requirements as outlined by securities legislation and its investment policies.

The Fund may invest in securities that are not traded on a public stock exchange or that may be illiquid. As a result, the Fund may not be able to dispose of these investments in a timely manner. The Fund mitigates this risk through active management, which involves detailed analysis of such entities to ensure they are financially sound and would be attractive to potential investors if a sale is necessary. The Fund's investment policies and securities legislation limit the amount invested in illiquid securities and these limits are monitored. As at June 30, 2024 and December 31, 2023, the Fund did not hold any illiquid securities.

The tables below present the Fund's financial liabilities based on the remaining period to the contractual maturity date. The amounts in the tables reflect the contractual undiscounted cash flows.

As at June 30, 2024

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Accounts Payable and Accrued Liabilities	\$ 85,017	\$ -	\$ -	\$ 85,017
Net Assets Attributable to Unitholders	11,427,022	-	-	11,427,022
Total	\$ 11,512,039	\$ -	\$ -	\$ 11,512,039

As at December 31, 2023

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Loan Payable	\$ 1,413,147	\$ -	\$ -	\$ 1,413,147
Accounts Payable and Accrued Liabilities	148,522	-	-	148,522
Net Assets Attributable to Unitholders	16,412,870	-	-	16,412,870
Total	\$ 17,974,539	\$ -	\$ -	\$ 17,974,539

The Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments, specifically Loan Payable, typically retain them for a longer period.

# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 5. Financial Risk Management (continued)

### D. Credit Risk

Credit risk represents the financial loss that the Fund would experience if a counterparty to a financial instrument failed to meet its obligations to the Fund. The Fund is exposed to credit risk on its debt instruments, derivative assets, cash and cash equivalents and other short term trade receivables. The Fund measures credit risk and lifetime ECLs related to the trade receivables using historical analysis and forward looking information in determining the ECL. The carrying amounts of financial assets represent the maximum credit exposure. All transactions executed by the Fund in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase only once the broker has received the securities. The trade will fail if either party fails to meet its obligations. There is no significant credit risk related to the Fund's receivables.

The Fund has established various internal controls to help mitigate credit risk, including prior approval of all investments by the Advisor whose mandate includes conducting financial and other assessments of these investments on a regular basis. The Fund has also implemented policies which ensure that investments can only be made with counterparties that have a minimum acceptable credit rating.

### E. Concentration Risk

The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio in a small number of industries or investment sectors. The Manager moderates this risk through careful selection of securities in several investment sectors. As at June 30, 2024 and December 31, 2023, the percentages of the Fund's total net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets	
	June 30, 2024	December 31, 2023
Gold	48.7	72.2
Energy	22.6	-
Metals and Mining	15.3	23.2
Uranium	6.6	11.6
Precious Metals and Minerals	2.7	1.2
Total	95.9	108.2

## 6. Tax Shelter Identification and Partnership Account Numbers

The identification number issued for this tax shelter shall be included in any income tax return filed by the investor. Issuance of the identification number is for administration purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter. The tax shelter number for the Fund is TS095547. The partnership account number for the Fund is 745546945RZ0001.

## 7. Related Party Transactions

### A. Management Fee and Advisory Fee

The General Partner and the Advisor are each entitled to receive fees. The management fee and advisory fee are, in aggregate, equal to 2.0% per annum of the NAV of the Fund, calculated and payable monthly in arrears. These fees are recorded as Management Fee and Advisory Fee in the Statements of Comprehensive Income. At June 30, 2024, the management and advisory fees payable by the Fund were \$17,124 and \$901 (December 31, 2023 - \$46,312 and \$2,437), respectively and are included in Accounts Payable and Accrued Liabilities. For the period ended June 30, 2024, management fees before the absorption of expenses amounted to \$127,198 (June 30, 2023 - \$119,861). The General Partner also has a 0.01% beneficial interest in the Fund. The General Partner is reimbursed for reasonable costs related to maintaining the Fund and preparation and distribution of financial statements and other documents to the Limited Partners. The Advisor is entitled to a performance fee payable on the earlier of: (a) the business day prior to the date on which the assets of the Fund are exchanged on a tax-deferred basis for redeemable shares of one of the classes of Middlefield Mutual Funds Limited (the "Mutual Fund"), a mutual fund corporation; and (b) the business day immediately prior to the date of dissolution or termination (see Note 10) of the Fund ("Performance Fee Date"), equal to 20% of the amount that is equal to the product of: (i) the number of units outstanding on the Performance Fee Date; and (ii) the amount by which the NAV per unit on the Performance Fee Date and any distributions per unit paid during the period commencing on the date of the initial closing and ending on the Performance Fee Date exceeds, in the case of Class A Units, \$26.50, and in the case of the Class F Units, \$27.48. During the period ended June 30, 2024, agency fees paid to MCC amounted to \$nil (June 30, 2023 - \$1,710).

### B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2024 amounted to \$31,891 (June 30, 2023 - \$nil). Brokerage commissions and other transaction costs were expensed and recorded in the Statements of Comprehensive Income.

# NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 | UNAUDITED

## 7. Related Party Transactions (continued)

### C. Other Expenses

The Fund is responsible for the payment of all expenses relating to the operation of the Fund and the carrying on of its business, including, among other things, audit and legal fees and expenses, custodian and transfer agency fees, and costs relating to securityholder reporting. Certain services in the normal course of business may be provided by the Manager or an affiliate of the Manager in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds*. Examples of these services include the preparation and filing of tax returns, the preparation and filing of financial statements and related reports, acting as transfer agent and registrar for the funds, and maintaining and updating the Fund's website. In aggregate, these fees amounted to \$27,466 throughout the period and \$9,656 (December 31, 2023 - \$7,397) is included in Accounts Payable and Accrued Liabilities as at June 30, 2024. In addition, the Fund would be responsible for reimbursing the Manager for any reasonable out of pocket expenses incurred on the Fund's behalf.

## 8. Loan Payable

In 2023, the Fund entered into a prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund. As at June 30, 2024, loans outstanding was in the amount of \$nil (December 31, 2023 - \$1.4 million). The minimum and maximum loans outstanding during the period ended June 30, 2024 were \$nil and \$1.4 million (December 31, 2023 - \$nil and \$1.4 million), respectively. The Fund was subject to bank covenants on the loan payable and was in compliance with those covenants in 2024. Finance costs primarily relate to loan interest expenses. The Fund terminated the prime brokerage services agreement in early 2024.

## 9. Capital Management

The Fund's capital is its net assets attributable to unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength. The Fund manages and adjusts its capital in response to general economic conditions, the risk characteristics of the underlying assets and working capital requirements.

## 10. Termination of Fund

The Fund is currently expected to dissolve on or about March 31, 2025 at which time the net assets will be allocated 99.99% to the Limited Partners and 0.01% to the General Partner; however, it is the current intention of the General Partner to propose prior to the dissolution that the Fund enter into an agreement with the Mutual Fund, whereby assets of the Fund would be exchanged for shares of one of the classes of the Mutual Fund, as determined by the General Partner based on the advice of the Advisor, on or about February 28, 2025. Upon dissolution, Limited Partners would then receive their pro rata share of the shares of one of the classes of the Mutual Fund. The completion of any such arrangement would be subject to the receipt of all necessary regulatory approvals.

**Dean Orrico**

President and Chief Executive Officer

**Jeremy T. Brasseur**

Executive Chairman

**Robert F. Lauzon, CFA**

Chief Investment Officer

**Independent Review  
Committee****H. Roger Garland, CPA, CA**Former Vice-Chairman  
Four Seasons Hotels Inc.**Christine Helsdon Tekker,  
MBA, LLM, ICD.D**Senior Vice President, Lending  
Infrastructure Ontario**Edward V. Jackson  
(Chairman)**Former Managing Director  
RBC Capital Markets**Advisors**Middlefield Capital Corporation  
SSR Health LLC  
Paul Sagawa LLC**Middlefield Group****Stephen Erlichman**Chair, ESG  
(Environmental, Social, Governance)**Craig Rogers, CPA, CGA, CFA**

Chief Operating Officer

**Wendy Teo, CPA, CA, CPA (IL)**

Chief Financial Officer &amp; Vice President

**Mark Aboud**

Chief Experience Officer

**Dennis da Silva**

Senior Portfolio Manager

**Nancy Tham**

Managing Director, Sales

**Shane Obata**

Portfolio Manager

**Robert Moffat**

Portfolio Manager

**Anthony Tavella, MBA, MFin**

Executive Director, International and Marketing

**Stacy J. Crestohl**

Director, Operations

**Rose Espinoza**

Director, International

**Catherine Rebuldela, CPA, CGA**

Director, Operations

**Victor Xu, CFA**

Director, Corporate Development

**Shiranee Gomez**

Senior Vice-President

**Victor Ngai**

Senior Vice-President

**Nicole S. Brasseur**

President, Human Resources

**Sarah Roberts, CPA, CMA**

Vice-President

**Jimmy Xu**

Vice-President, Information Technology

**Rachel Zhang**

Vice-President

**Sylvia Casillano, CPA, CGA**

Assistant Vice-President

**Maggie Vanadero – Chu**

Assistant Fund Admin

**Morgan Byrne**

Director, Sales

**Scott Hu**

Associate, Information Technology

**AJ Mamatalieva**

Business Development Manager, Sales

**Mazhar Ahsan Abdulwahab**

Investment Analyst

**Celynn Kuros**

Business Development Associate, Sales

**Curtis Blakely**

Business Development Associate

**Juanita Lam**

Brand Designer

**Joshua Wiggins**

Brand Strategist

**Auditor**Deloitte LLP, Chartered Professional Accountants  
RSM Canada LLP**Legal Counsel**DLA Piper (Canada) LLP  
Fasken Martineau DuMoulin LLP  
McCarthy Tétrault**Bankers**Bank of Montreal  
Canadian Imperial Bank of Commerce  
Royal Bank of Canada  
The Bank of Nova Scotia  
The Toronto-Dominion Bank**Custodian**

RBC Investor Treasury Services

**Transfer Agents**RBC Investor Service Trust  
TSX Trust Company**Affiliates**Middlefield Group Limited  
Middlefield Capital Corporation  
Middlefield Financial Services Limited  
MFL Management Limited  
MF Properties Limited  
Middlefield International Limited  
Middlefield Limited  
Middlefield Realty Services Limited  
Middlefield Resource Corporation



# MIDDLEFIELD FUNDS FAMILY |

EXCHANGE - TRADED FUNDS (ETFs)		TSX Stock Symbol
• Middlefield Healthcare Dividend ETF		MHCD
• Middlefield Innovation Dividend ETF		MINN
• Middlefield Sustainable Global Dividend ETF		MDIV
• Middlefield Sustainable Infrastructure Dividend ETF		MINF
• Middlefield Real Estate Dividend ETF		MREL
• Middlefield U.S. Equity Dividend ETF		MUSA
TSX-LISTED FUNDS		
• E Split Corp.		ENS   ENS.PR.A
• Middlefield Global Real Asset Fund		RA. UN
• MINT Income Fund		MID.UN
• Real Estate Split Corp.		RS   RS.PR.A
• Sustainable Innovation & Health Dividend Fund		SIH.UN
• Infrastructure Dividend Split Corp. (commenced May 8, 2024)		IS   IS.PR.A
MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS		Fund Code
Series A Units		FE/LL/DSC
• Middlefield Healthcare Dividend Fund		MID 325/327/330
• INDEXPLUS Income Fund		MID 435/437/440
• Middlefield Global Infrastructure Fund		MID 510/519/520
Series F Units		
• Middlefield Healthcare Dividend Fund		MID 326
• INDEXPLUS Income Fund		MID 436
• Middlefield Global Infrastructure Fund		MID 501
MIDDLEFIELD MUTUAL FUNDS CORPORATE CLASS FUNDS		Fund Code
Series A Shares		FE/LL/DSC
• Middlefield Canadian Dividend Growers Class		MID 148/449/450
• Middlefield Global Agriculture Class		MID 161/163/166
• Middlefield Global Dividend Growers Class		MID 181/183/186
• Middlefield Real Estate Dividend Class		MID 600/649/650
• Middlefield ActivEnergy Dividend Class (formerly, Middlefield Global Energy Transition Class)		MID 265
• Middlefield Innovation Dividend Class		MID 925
• Middlefield High Interest Income Class		MID 400/424/425
• Middlefield Income Plus Class		MID 800/849/850
• Middlefield U.S. Equity Dividend Class		MID 710/719/720
Series F Shares		
• Middlefield Canadian Dividend Growers Class		MID 149
• Middlefield Global Agriculture Class		MID 162
• Middlefield Global Dividend Growers Class		MID 182
• Middlefield Real Estate Dividend Class		MID 601
• Middlefield ActivEnergy Dividend Class (formerly, Middlefield Global Energy Transition Class)		MID 266
• Middlefield Innovation Dividend Class		MID 926
• Middlefield Income Plus Class		MID 801
• Middlefield U.S. Equity Dividend Class		MID 701
RESOURCE FUNDS		
• Discovery 2023 Short Duration LP		
• MRF 2023 Resource Limited Partnership		
• MRF 2024 Resource Limited Partnership (commenced February 22, 2024)		
INTERNATIONAL FUNDS		
• Middlefield Canadian Income PCC		London UK Stock Exchange (LSE) Symbol:MCT



# MIDDLEFIELD

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