

2024 ANNUAL REPORT

MRF 2024 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 REVIEW AND OUTLOOK

The year 2024 proved to be an impressive one for equity investors, marked by substantial gains that have laid a strong foundation for continued growth in 2025. The S&P 500 and TSX Composite delivered total returns of 25% and 22%, respectively, showcasing the strength and resilience of the North American markets. This superb performance was broad-based, with 10 out of 11 S&P 500 sectors posting positive returns. Building upon similar performance in 2023, the US market has now returned over 50%, marking the best two-year gain since the notable period in 1997/1998.

The incoming Trump Administration is expected to create a more pro-business environment as reduced regulatory burdens and potential tax cuts could boost corporate profits and stimulate economic growth. This is further supported by key investment themes that are secular in nature, including artificial intelligence, e-commerce and aging demographics. These trends are expected to drive long-term growth across various sectors, providing a fertile landscape for investment opportunities. Another crucial area to watch in 2025 is the anticipated rebound in capital markets as deregulation advances while rate volatility is expected to decrease. This resurgence should greatly benefit companies across the financials, infrastructure, and real estate asset classes, creating a ripple effect of growth throughout the economy.

The upcoming Canadian election presents an opportunity to adopt a more pro-business stance, similar to the US. There is optimism that a change in leadership could lead to a reinvigoration of the Canadian energy sector, unlocking its vast potential and driving economic growth. A continued emphasis on the growth of the Canadian technology sector is also expected, further diversifying the economy and fostering new investment opportunities. Furthermore, the Bank of Canada has recently adopted a more accommodative policy stance than the Fed. Continued interest rate cuts are expected to provide vital economic support and help the country skirt a recession. This accommodative monetary policy should encourage a continued rotation out of cash-like instruments into dividend-paying securities, as investors seek higher yields in a low-rate environment. This shift will further bolster sectors known for their consistent dividend payouts. Reduced interest expense burdens will likely benefit mid-cap equities relative to large-cap equities, creating opportunities for outperformance within this segment.

The price of gold traded in a narrow range through December but still managed to generate its biggest annual gain since 2010 of over 27%, beating the S&P 500. Gold averaged almost US\$2,400/oz in 2024, which marks a fifth consecutive year of record annual gold prices. Over the past 25 years when gold's annual gain has surpassed 20%, it has increased 12% on average in the following year. China's central bank added to its gold reserves in November, ending a six-month pause in purchases. We expect China to continue to be a buyer of gold and a persistent seller of US treasuries, with tensions likely to increase further under the incoming Trump presidency.

On the corporate front, Agnico Eagle announced a friendly proposal to acquire one of our portfolio companies, O3 Mining for \$1.67/share, representing a 58% premium to its closing price. Strategically, we view the take-over by Agnico as logical, as the company operates the Canadian Malartic complex adjacent to O3's Marban development stage project.

MIDDLEFIELD RESOURCE FUNDS

Middlefield Resource Funds currently comprises three funds, Discovery 2024, MRF 2024, and MRF 2025. 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.

The announcement by the outgoing Biden administration of new energy sanctions on Russia and the expectation of return of heightened foreign policy measures on Iran is charging an advance in oil prices. The key question is whether the Trump Administration will look to reverse this move when he returns to the White House or keep the Russian sanctions on to exert leverage on Putin when negotiating a conclusion to the war in Ukraine. Separately, we expect Trump to reverse Biden's ban on offshore drilling and the LNG permitting pause. We remain of the view that oil should remain above the \$70 per barrel level during 2025, a price when combined with a weak loonie, results in very attractive return metrics for Canadian crude producers.

As expected, Russian gas exports via Soviet-era pipelines running through Ukraine came to a halt on New Year's Day after Ukraine refused to renew a transit agreement, marking the end of decades of Moscow's dominance over Europe's energy markets. Europe has been preparing for this since the start of the war in Ukraine by buying more piped gas from Norway and LNG from Qatar and the United States. Natural gas producers and investors anxiously await the start-up of more than 8 Bcf/d of North American LNG capacity over the next two years, including 1.5 Bcf/d coming from the inaugural exports of LNG Canada. The view is that this will more closely link North American natural gas prices to stronger international markets. Natural gas had been on a tear to end 2024 on the back of bullish weather forecasts. In the past, higher prices would often attract a short-term supply response but consolidation amongst the largest producers should reduce large production surges given stronger commitment to capital discipline by public operators.



Dean Orrico
President and CEO
Middlefield Capital Corporation



Robert F. Lauzon
Managing Director and Chief Investment Officer
Middlefield Capital Corporation

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE PERIOD ENDED DECEMBER 31, 2024

This annual management report of fund performance contains financial highlights and should be read in conjunction with the complete audited annual financial statements of the investment fund that follow this report.

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 to request a copy of the investment fund's annual financial statements, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Management's Discussion of Fund Performance

Investment Objectives and Strategies

The investment objectives of MRF 2024 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 22, 2024.

Risk

The Fund is speculative offering and is exposed to several risk factors that may affect its performance. The overall risk of the Fund is as described in its prospectus dated January 30, 2024. Since commencement of operations on February 22, 2024, the overall risk level of the Fund may have been impacted as follows:

Market Risk

Market risk describes the Fund's exposure to volatility in the market value of its underlying securities. Equity markets continue to exhibit volatility due to persistent inflationary pressures and concerns over foreign trade policy changes. Additionally, geopolitical tensions, particularly in Eastern Europe and the Middle East, contribute to market instability. Lastly, the risk of a global economic slowdown or recession continues to loom in some areas, driven by ongoing supply chain disruptions and fluctuating consumer confidence.

Results of Operations

Investment Performance

The Fund raised \$19.7 million in early 2024 for investing in flow-through common shares or warrants of Canadian resource companies. As at December 31, 2024, the invested portfolio assets were primarily comprised of companies operating in the gold sector with the balance invested in issuers in the precious metals and minerals, uranium and metals and mining sectors.

The Fund commenced operations on February 22, 2024, and as a result there are no comparative figures for the prior year period. At December 31, 2024, the Fund's net asset value per Class A was \$16.04 per unit, representing a total after-tax return on money-at-risk of 34% for an Ontario investor taxed at the highest marginal tax rate. At December 31, 2024, the Fund's net asset value per Class F was \$16.60 per unit, representing a total after-tax return on money-at-risk of 39% for an Ontario investor taxed at the highest marginal tax rate.

Revenue and Expenses

Investment income for the period ended December 31, 2024 amounted to approximately \$317,000 and was comprised primarily of interest earned on cash balances. Operating expenses for the period totaled approximately \$433,000. The management expense ratio ("MER") was 11.93% for Class A and 7.90% for Class F for the period ended December 31, 2024. The MER is high as a result of the inclusion of issuance costs as part of the expenses used to calculate the ratio in the year of the initial public offering. Excluding issuance costs and interest expenses, the MER was 3.18% for Class A and 3.52% for Class F for the period ended December 31, 2024. The loss for the period amounted to approximately \$5.6 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 30.1% from \$22.96 at inception to \$16.04 on December 31, 2024. On a per unit basis, the net assets per Class F attributable to unitholders of the Fund decreased by 30.4% from \$23.86 at inception to \$16.60 on December 31, 2024. An unrealized loss on investments of approximately \$5.4 million has been recorded during the period ended December 31, 2024.

Trends

The price of gold traded in a narrow range through December but still managed to generate its biggest annual gain since 2010 of over 27%, beating the S&P 500. Gold averaged almost US\$2,400/oz in 2024, which marks a fifth consecutive year of record annual gold prices.

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.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE PERIOD ENDED DECEMBER 31, 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 has a revolving demand credit facility that enables the Fund to borrow up to an amount not exceeding the lesser of 10% of the gross proceeds raised or 10% of total assets. As at December 31, 2024, the Fund had a loan payable of approximately \$1.4 million. The minimum and maximum amounts borrowed during the period were \$nil and \$1.6 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. The credit facility provides the lender with security interest over the assets of the Fund.

Financial Highlights

Net Assets Attributable to Unitholders are calculated in accordance with IFRS Accounting Standards.

"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 period. 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⁽¹⁾

	2024 ⁽⁴⁾
Net Assets Attributable to Unitholders, Beginning of Period	\$ 22.96*
INCREASE (DECREASE) FROM OPERATIONS:	
Total Revenue	0.40
Total Expenses ⁽³⁾	(0.65)
Realized Gain (Loss) for the Period	0.02
Unrealized Gain (Loss) for the Period	(6.71)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	(6.92)
Net Assets Attributable to Unitholders, End of Period	\$ 16.04

The Fund's Net Assets Attributable to Unitholders Per Class F Unit⁽¹⁾

	2024 ⁽⁴⁾
Net Assets Attributable to Unitholders, Beginning of Period	\$ 23.86*
INCREASE (DECREASE) FROM OPERATIONS:	
Total Revenue	0.43
Total Expenses ⁽³⁾	(0.70)
Realized Gain (Loss) for the Period	0.03
Unrealized Gain (Loss) for the Period	(7.24)
TOTAL INCREASE (DECREASE) FROM OPERATIONS⁽²⁾	(7.26)
Net Assets Attributable to Unitholders, End of Period	\$ 16.60

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ 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 Statement of Changes in Net Assets Attributable to Unitholders and accordingly columns may not add.

⁽³⁾ There were no distributions paid by the Fund.

⁽⁴⁾ As at December 31, 2024 or for the period February 22, 2024 (date of commencement of operations) to December 31, 2024, as applicable.

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

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE PERIOD ENDED DECEMBER 31, 2024

Ratios and Supplemental Data – Class A

	2024 ⁽⁴⁾
Total Net Asset Value (000s)	\$ 9,820
Number of Units Outstanding	612,284
Management Expense Ratio ("MER") ⁽¹⁾	11.93%
MER (excluding interest expense and issuance costs) ⁽¹⁾	3.18%
Trading Expense Ratio ⁽²⁾	-
Portfolio Turnover Rate ⁽³⁾	0.21%
Net Asset Value per Unit	\$ 16.04

Ratios and Supplemental Data – Class F

	2024 ⁽⁴⁾
Total Net Asset Value (000s)	\$ 2,904
Number of Units Outstanding	174,910
Management Expense Ratio ("MER") ⁽¹⁾	7.90%
MER (excluding interest expense and issuance costs) ⁽¹⁾	3.52%
Trading Expense Ratio ⁽²⁾	-
Portfolio Turnover Rate ⁽³⁾	0.21%
Net Asset Value per Unit	\$ 16.60

- ⁽¹⁾ 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.
- ⁽²⁾ 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.
- ⁽³⁾ 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.
- ⁽⁴⁾ As at December 31, 2024 or for the period February 22, 2024 (date of commencement of operations) to December 31, 2024, as applicable.

Past Performance

The Fund has not presented its historical performance because it commenced operations on February 22, 2024 and accordingly has been in existence for less than one year.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

FOR THE PERIOD ENDED DECEMBER 31, 2024

Summary of Investment Portfolio

AS AT DECEMBER 31, 2024

Top Twenty-Five Holdings

DESCRIPTION		% OF NET ASSET VALUE
1	Sitka Gold Corp.	9.6
2	Dolly Varden Silver Corp.	8.3
3	Thesis Gold Inc.	6.2
4	Radisson Mining Resources Inc.	5.8
5	First Mining Gold Corp.	5.7
6	NeXGold Mining Corp.	5.4
7	Goliath Resources Ltd.	4.3
8	Troilus Gold Corp.	4.0
9	Kuya Silver Corp.	4.0
10	Banyan Gold Corp.	3.2
11	Greenridge Exploration Inc.	3.1
12	GFG Resources Inc.	2.9
13	Independence Gold Corp.	2.8
14	White Gold Corp.	2.7
15	Renegade Gold Inc.	2.4
16	Red Pine Exploration Inc.	2.3
17	Falco Resources Ltd.	2.3
18	Dryden Gold Corp.	2.3
19	Kodiak Copper Corp.	2.3
20	Ongold Resources Ltd.	2.3
21	Goldshore Resources Inc.	2.1
22	Global Uranium Corp.	2.0
23	Westhaven Gold Corp.	1.8
24	Rackla Metals Inc.	1.7
25	Vizsla Copper Corp.	1.7

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

ASSET CLASS

	% OF NET ASSET VALUE
Gold	77.4
Precious Metals and Minerals	13.8
Uranium	11.9
Metals and Mining	7.7
Cash and Short-Term Investments	0.6
Other Assets (Liabilities)	(11.4)
	100.0

TOTAL NET ASSET VALUE	\$ 12,724,258
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The Summary of Investment Portfolio may change over time due to ongoing portfolio transactions.
Please visit www.middlefield.com for the most recent quarter-end Summary of Investment Portfolio.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements MRF 2024 Resource Limited Partnership (the "Fund") have been prepared by Middlefield Limited (the "Manager"), the manager of Fund and approved by the Board of Directors. The Manager is responsible for the information and representations contained in these financial statements and other financial information contained in this report. The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates



Jeremy Brasseur
Director

and judgments. The significant accounting policies applicable to the Fund are described in the notes to the financial statements. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

Deloitte LLP is the external auditor of the Fund. They have audited the financial statements of the Fund in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements.



Craig Rogers
Director

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of
MRF 2024 Resource Limited Partnership (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2024 and the statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the period February 22, 2024 to December 31, 2024, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024, and its financial performance and its cash flows for the period February 22, 2024 to December 31, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management Report of Fund Performance
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Fund'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 Fund'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 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, cursive script followed by "LLP" in a simpler, sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 24, 2025

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

Statement of Financial Position

AS AT DECEMBER 31
(In Canadian Dollars)

2024

ASSETS

Current Assets

Investments at Fair Value through Profit or Loss	\$	14,093,133
Cash		76,040
Total Assets		14,169,173

LIABILITIES

Current Liabilities

Loan Payable (Note 8)		1,353,217
Accounts Payable and Accrued Liabilities (Note 7)		91,698
Total Liabilities (Excluding Net Assets Attributable to Unitholders)		1,444,915

Net Assets Attributable to Unitholders	\$	12,724,258
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Net Assets Attributable to Unitholders – Class A	\$	9,820,113
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Net Assets Attributable to Unitholders – Class F	\$	2,904,145
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Units Issued and Outstanding – Class A (Note 3F)		612,284
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Units Issued and Outstanding – Class F (Note 3F)		174,910
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Net Assets Attributable to Unitholders per Unit – Class A	\$	16.04
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Net Assets Attributable to Unitholders per Unit – Class F	\$	16.60
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The accompanying notes to financial statements are an integral part of this financial statement.

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



Director: Jeremy Brasseur



Director: Craig Rogers

FINANCIAL STATEMENTS

Statement of Comprehensive Income

FOR THE PERIOD FEBRUARY 22, 2024 (DATE OF COMMENCEMENT OF OPERATIONS)
TO DECEMBER 31, 2024

TAX SHELTER IDENTIFICATION NUMBER (NOTE 6): TS097428

(In Canadian Dollars)

REVENUE (LOSS)

Interest Income	\$ 316,885
Foreign Exchange Gain (Loss) on Cash	(16)
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	
Net Realized Gain (Loss) on Investments excluding Derivatives	20,000
Net Unrealized Gain (Loss) on Investments excluding Derivatives	(5,371,666)
Net Unrealized Gain (Loss) on Foreign Currency Transactions	71
Total Revenue (Loss)	(5,034,726)

OPERATING EXPENSES (Note 7)

Advisory Fee	21,869
Audit Fees	25,186
Custodial Fees	2,099
Fund Administration Costs	60,104
Independent Review Committee Fees and Expenses	1,272
Management Fee (Note 7)	290,370
Unitholder Reporting Costs	31,797
Total Operating Expenses	432,697
Operating Profit (Loss)	(5,467,423)
Finance Costs (Note 8)	89,624
Profit (Loss)	\$ (5,557,047)

Increase (Decrease) in Net Assets Attributable to Unitholders	\$ (5,557,047)
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Increase (Decrease) in Net Assets Attributable to Unitholders – Class A	\$ (4,247,957)
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Increase (Decrease) in Net Assets Attributable to Unitholders – Class F	\$ (1,309,090)
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Increase (Decrease) in Net Assets Attributable to Unitholders per Unit – Class A (Note 3F)	\$ (6.94)
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Increase (Decrease) in Net Assets Attributable to Unitholders per Unit – Class F (Note 3F)	\$ (7.48)
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The accompanying notes to financial statements are an integral part of this financial statement.

FINANCIAL STATEMENTS

Statement of Changes in Net Assets Attributable to Unitholders

FOR THE PERIOD FEBRUARY 22, 2024 (DATE OF COMMENCEMENT OF OPERATIONS)

TO DECEMBER 31, 2024

(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	(4,247,957)	(1,309,090)	(5,557,047)
Proceeds from Issue of Units	15,307,100	4,372,750	19,679,850
Payment of Agents' Fees	(880,158)	(98,387)	(978,545)
Payment of Issue Costs	(358,872)	(61,128)	(420,000)
Net Assets Attributable to Unitholders at End of Period	\$ 9,820,113	\$ 2,904,145	\$ 12,724,258

Statement of Cash Flows

FOR THE PERIOD FEBRUARY 22, 2024 (DATE OF COMMENCEMENT OF OPERATIONS)

TO DECEMBER 31, 2024

(In Canadian Dollars)

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Increase (Decrease) in Net Assets Attributable to Unitholders	\$ (5,557,047)
Adjustments:	
Proceeds from Sale of Investments	20,000
Purchases of Investments	(19,464,799)
Foreign Exchange (Gain) Loss on Cash	(55)
Net Realized (Gain) Loss from Investment Transactions	(20,000)
Net Unrealized (Gain) Loss on Investments	5,371,666
	(19,650,235)
Net Change in Non-Cash Working Capital	91,698
Net Cash from (used in) Operating Activities	(19,558,537)

CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES

Proceeds from Issue of Units	19,679,850
Proceeds from Loans	1,353,217
Payment of Agents' Fees	(978,545)
Payment of Issue Costs	(420,000)
Net Cash from (used in) Financing Activities	19,634,522
Net Increase (Decrease) in Cash	75,985
Foreign Exchange Gain (Loss) on Cash	55
Cash at Beginning of Period	-
Cash at End of Period	\$ 76,040

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

FINANCIAL STATEMENTS

Schedule of Investment Portfolio

AS AT DECEMBER 31, 2024
(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Banyan Gold Corp.	2,149,700	\$ 730,898	\$ 408,443
Dryden Gold Corp.	2,000,000	260,000	290,000
Exploits Discovery Corp.	3,130,000	250,400	140,850
Falco Resources Ltd.	992,000	277,760	292,640
First Mining Gold Corp.	6,000,000	990,000	720,000
GFG Resources Inc.	2,000,000	200,000	370,000
Golden Spike Resources Corp.	1,100,000	253,000	66,000
Golden Spike Resources Corp., Warrants, 08 February 2025	550,000	-	-
Goldshore Resources Inc.	1,052,750	500,056	263,188
Goliath Resources Ltd.	521,000	750,240	547,050
Independence Gold Corp.	1,820,000	400,400	354,900
NeXGold Mining Corp.	1,000,000	920,000	690,000
NeXGold Mining Corp., Warrants, 02 July 2027	1,000,000	-	53,000
Ongold Resources Ltd.	385,000	250,250	288,750
Onyx Gold Corp.	500,000	107,500	102,500
Rackla Metals Inc.	2,000,000	340,000	220,000
Rackla Metals Inc., Warrants, 11 June 2025	2,000,000	-	49,260
Radisson Mining Resources Inc.	2,187,500	700,000	743,750
Red Pine Exploration Inc.	2,385,000	250,425	298,125
Renegade Gold Inc.	1,875,000	750,000	309,375
Sirios Resources Inc.	2,160,000	140,400	108,000
Sitka Gold Corp.	3,410,000	750,200	1,227,600
Sitka Gold Corp., Warrants, 02 August 2026	1,705,000	-	210,192
Spanish Mountain Gold Ltd.	2,100,000	504,000	210,000
Spanish Mountain Gold Ltd., Warrants, 30 May 2026	1,050,000	-	10,238
Thesis Gold Inc.	1,388,500	1,249,650	791,445
Troilus Gold Corp.	1,700,000	688,500	510,000
Westhaven Gold Corp.	2,174,000	500,020	228,270
White Gold Corp.	1,540,000	400,400	346,500
GOLD: 69.5%		12,164,099	9,850,076
Dolly Varden Silver Corp.	1,100,000	1,375,000	1,055,999
Kuya Silver Corp.	2,000,000	960,000	510,000
Kuya Silver Corp., Warrants, 19 June 2026	1,000,000	-	16,480
Metallic Minerals Corp.	1,250,000	500,000	175,000
PRECIOUS METALS AND MINERALS: 12.4%		2,835,000	1,757,479
Aero Energy Ltd.	2,850,000	498,750	99,750
Aero Energy Ltd., Warrants, 05 March 2026	1,425,000	-	3,776
Bayridge Resources Corp.	2,000,000	600,000	160,000
Bayridge Resources Corp., Warrants, 17 April 2026	1,000,000	-	4,110
Global Uranium Corp.	265,000	198,750	246,450
Greenridge Exploration Inc.	400,000	352,000	396,000
Greenridge Exploration Inc., Warrants, 19 December 2027	200,000	-	35,488
Mustang Energy Corp.	800,000	232,000	192,000
Nexus Uranium Corp.	600,000	312,000	177,000
Nexus Uranium Corp., Warrants, 25 June 2026	600,000	-	67,074
Stallion Uranium Corp.	3,900,000	351,000	117,000
Stallion Uranium Corp., Warrants, 30 July 2026	1,950,000	-	14,879
URANIUM: 10.7%		\$ 2,544,500	\$ 1,513,527

FINANCIAL STATEMENTS

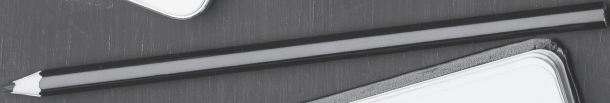
Schedule of Investment Portfolio (continued)

AS AT DECEMBER 31, 2024

(In Canadian Dollars)

Description	No. of Securities	Average Cost	Fair Value
Cascadia Minerals Ltd.	1,250,000	\$ 250,000	\$ 131,250
Cascadia Minerals Ltd., Warrants, 03 May 2026	1,250,000	-	12,175
Kodiak Copper Corp.	740,741	400,000	288,889
Pacific Ridge Exploration Ltd.	2,000,000	190,000	50,000
Pacific Ridge Exploration Ltd., Warrants, 22 March 2026	2,000,000	-	7,580
Prospect Ridge Resources Corp.	1,940,000	349,200	77,600
Prospect Ridge Resources Corp., Warrants, 24 July 2026	970,000	-	5,684
Troy Minerals Inc.	900,000	252,000	144,000
Troy Minerals Inc., Warrants, 31 July 2026	450,000	-	23,513
Vizsla Copper Corp.	4,000,000	480,000	220,000
Vizsla Copper Corp., Warrants, 19 June 2026	2,000,000	-	11,360
METALS AND MINING: 6.9%		1,921,200	972,051
TOTAL INVESTMENTS: 99.5%		19,464,799	14,093,133
CASH: 0.5%		76,040	76,040
Total Investment Portfolio, Including Cash		\$ 19,540,839	\$ 14,169,173

NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. MRF 2024 Resource Limited Partnership

MRF 2024 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 21, 2023 and commenced operations on February 22, 2024. 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 30, 2024 (the "Prospectus"), Limited Partners subscribed for 612,284 Class A units and 174,910 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 March 24, 2025.

2. Basis of Presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards 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

DECEMBER 31, 2024

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 investments. 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.

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

Increase (Decrease) in Net Assets Attributable to Unitholders per Unit in the Statement 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.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. Summary of Material Accounting Policies (continued)

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 table below summarizes the fair value of the Fund's financial instruments as at December 31, 2024 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.			

As at December 31, 2024

Description	Level 1	Level 2	Level 3	Total
Equities	\$ 12,284,450	\$ 1,283,875	\$ -	\$ 13,568,325
Warrants	-	524,808	-	524,808
Total	\$ 12,284,450	\$ 1,808,683	\$ -	\$ 14,093,133

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. Fair Value Disclosure (continued)

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 period ended December 31, 2024.

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 24.1% of the Fund's net assets as at December 31, 2024: Sitka Gold Corp. (9.6%), Dolly Varden Sil Corp. (8.3%) and Thesis Gold Inc. (6.2%). 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:

	2024
Investments at FVTPL	\$ 14,093,133

Based on the above exposure at December 31, 2024, a 10% increase or decrease in the prices of the Fund's investments would result in a \$1,409,313 increase or decrease in net assets of the Fund, with all other factors held constant.

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:

	2024
Cash	\$ 76,040
Loan Payable	(1,353,217)
Net Exposure	\$ (1,277,177)

Based on the above exposures at December 31, 2024, a 1% per annum increase or decrease in interest rates would result in a \$12,772 decrease or increase in net assets of the Fund, with all other factors held constant.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. Financial Risk Management (continued)

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 revolving demand credit facility in the maximum principal amount of \$2.0 million which was secured by a general security agreement. Borrowed amounts under the credit facility are usually due within 30 to 90 days. 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. 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 December 31, 2024, the Fund did not hold any illiquid securities.

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

As at December 31, 2024

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Loan Payable	\$ 1,353,217	\$ -	\$ -	\$ 1,353,217
Accounts Payable and Accrued Liabilities	91,698	-	-	91,698
Net Assets Attributable to Unitholders	12,724,258	-	-	12,724,258
Total	\$ 14,169,173	\$ -	\$ -	\$ 14,169,173

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.

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 December 31, 2024, the percentages of the Fund's total net assets invested in each investment sector were as follows:

Sector	As a % of Net Assets 2024
Gold	77.4
Precious Metals and Minerals	13.8
Uranium	11.9
Metals and Mining	7.7
Total	110.8

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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 TS097428. The partnership account number for the Fund is 769277351RZ0001.

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 Statement of Comprehensive Income. At December 31, 2024, the management and advisory fees payable by the Fund were \$21,486 and \$1,131, respectively and are included in Accounts Payable and Accrued Liabilities. For the period ended December 31, 2024, management fees before the absorption of expenses amounted to \$263,966. 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.

B. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended December 31, 2024 amounted to \$nil. Brokerage commissions and other transaction costs were expensed and recorded in the Statement of Comprehensive Income.

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 \$51,471 throughout the period and \$8,799 is included in Accounts Payable and Accrued Liabilities as at December 31, 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 2024, the Fund entered into a revolving demand credit facility in the maximum principal amount of \$2.0 million which is secured by a general security agreement. As at December 31, 2024, loans outstanding was in the amount of approximately \$1.4 million. The minimum and maximum loans outstanding during the period ended December 31, 2024 were \$nil and \$1.6 million, respectively. The Fund is subject to bank covenants on the loan payable and is in compliance with those covenants in 2024. Finance costs primarily relate to loan interest expenses.

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. Generally speaking, the Fund will reduce leverage when investments are likely to decrease in value. In order to maintain or adjust its capital structure, the Fund may repay debt under its loan facility or undertake other activities deemed appropriate under the specific circumstances.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

10. Termination of Fund

The Fund is currently expected to dissolve on or about March 31, 2026 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, 2026. 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.

11. Comparative Financial Statements

The Fund commenced operations on February 22, 2024. Accordingly, there are no comparative financial statements for the period ended December 31, 2024.

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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
• MINT Income Fund		MID.UN
• Real Estate Split Corp.		RS RS.PR.A
• Sustainable Innovation & Health Dividend Fund		SIH.UN
• Infrastructure Dividend Split Corp.		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		
• MRF 2024 Resource Limited Partnership		
• Discovery 2024 Short Duration LP		
• MRF 2025 Resource Limited Partnership (commenced February 25, 2025)		
INTERNATIONAL FUNDS		
• Middlefield Canadian Income PCC		London UK Stock Exchange (LSE) Symbol:MCT

Dean Orrico

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Chief Investment Officer

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AdvisorsMiddlefield Capital Corporation
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