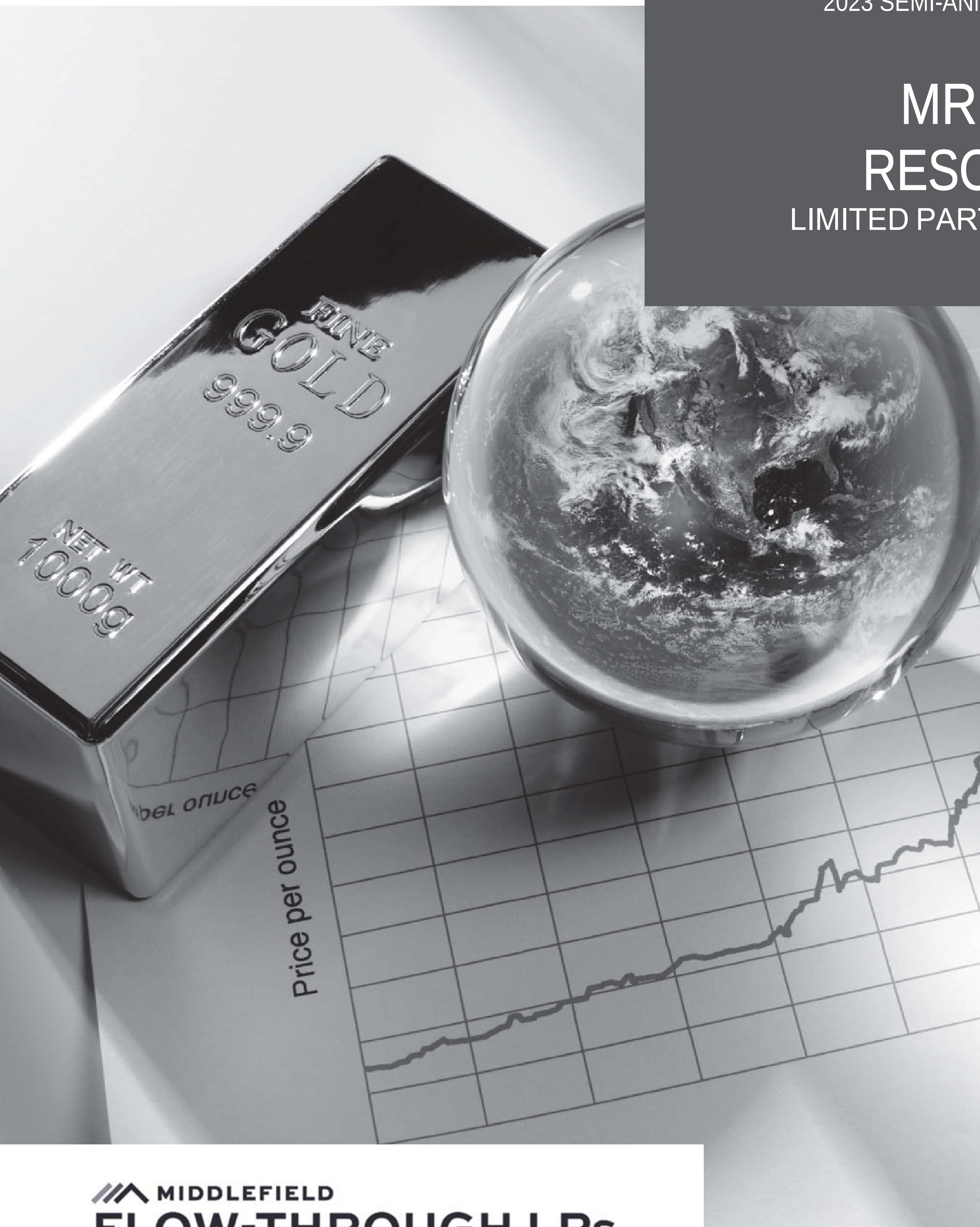
2023 SEMI-ANNUAL REPORT

MRF 2023 RESOURCE
LIMITED PARTNERSHIP



MIDDLEFIELD
FLOW-THROUGH LPs

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

The late 2022 gold rush that overflowed into the new year turned out to be a reminder of how quickly gold could move when the stars align. Gold was well supported by global bank concerns following the SVB collapse in March, as US 2-year yields recorded the largest decline since 1987. Gold remains driven by market views on inflation and rate hikes expectations in the US, and especially focused on when the current tightening cycle will end. With inflation in the US near 2-year lows, market expectations for more rate hikes are weakening. Fears of a recession in the US also receded as Chairman Powell confirmed that the Fed no longer expects an economic downturn in part due to a tight labour market. Despite the headwinds of strong broad markets, a recovering US dollar and the risk of at least one more rate hike, it is encouraging to see gold above a key US$1,900/oz support level, after averaging US$1,800/oz for the last couple of years.

With the release of the European Critical Raw Materials Act, and the European Union in discussions with the US on future strategy, the battle for critical minerals is intensifying. The initial focus has been for the developed world to alleviate its dependence on China for refined products. To put that in perspective, China is now almost 60% of global steel and aluminum production, approximately 50% of all other base metals, and for the battery raw materials, this goes to 70% on average. There is no doubt that China will remain the majority producer of these metals for years to come, but it is the level of dominance that the Inflation Reduction Act and the EU Critical Raw Materials Act are seeking to chip away at by supporting reshoring and building end markets for domestically produced materials.

Oil remained caught in a macro maelstrom through much of the first half of the year. Themes driving higher oil price volatility include balancing concerns around a recessionary environment against potential support from OPEC+, the re-opening of China, and an eventual SPR replenishment. In early April, we witnessed how serious OPEC+ was in supporting oil prices when they announced an additional 1.16 MMbbl/d supply cut starting in May. More importantly, Saudi Arabia announced an additional 1 MMbbl/d unilateral production cut, which starts in July for a month but can be extended, emphasizing that the country would do "whatever is necessary to bring market stability to this market" as the Saudi Energy Minister put it. Saudi/OPEC+ cuts, the seasonal return of over 2 MMbbl/d of refinery capacity and leading indicators of strong Chinese crude imports should all bode well for a tighter physical market over the summer.

Middlefield Resource Funds currently comprises three funds, Discovery 2022, MRF 2022, and MRF 2023. 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.

Canadian natural gas storage injections dropped to a five-year low due to the impact of wildfire activity on production volumes in early summer. US power burn has been high amid a heat wave in Texas and hot weather in the forecast. The natural gas market had been in limbo coming out of a soft winter season, stuck between US$2.00-2.50/mcf. Over the last few weeks of June, hotter weather has emerged to provide momentum towards US$2.80/mcf. Historically, natural gas prices have positive price momentum through July to November. Bloomberg data shows on average over the last 10 years, NYMEX natural gas prices have increased approximately 18% through July to November. According to Peters & Co., over the last five years, a basket of gas-weighted names has delivered on average a return of 11% from June to November, well above the performance of the S&P/TSX Capped Energy Index at 1%, and large cap oils of 3%, during the same time frame.

The start of summer tends to be a seasonally soft period for fertilizer markets. We are encouraged by the pace of potash volume movement since the start of Q2, as well as the impact lower prices are having on end buyer sentiment. Remember, what we have witnessed over the last couple of years has been demand deferral, not destruction. The demand should pick up going into late 2023/early 2024 given the lack of potash could be detrimental to the soil. The supply-side pressures of the Ukraine war, lower utilization of crop nutrients and continued extreme weather events lay the foundation for tight crop inventories and strong farmer incomes. Historically, tight ag markets require ~2-3 years to allow for crop production to catch up but it may be more difficult this time given reduced Ukrainian production and the impact of reduced fertilizer use on yields.

Dennis da Silva

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

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 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, 2023, the invested portfolio assets were primarily comprised of companies operating in the gold sector with the balance invested in issuers in the metals and mining, and uranium sectors.

The Fund commenced operations on February 23, 2023, and as a result there are no comparative figures for the prior year period. At June 30, 2023, the Fund's net asset value per Class A was $22.82 per unit, representing a total after-tax return on money-at-risk of 80% for an Ontario investor taxed at the highest marginal tax rate. At June 30, 2023, the Fund's net asset value per Class F was $23.87 per unit, representing a total after-tax return on money-at-risk of 88% for an Ontario investor taxed at the highest marginal tax rate.

Revenue and Expenses

Investment income for the period ended June 30, 2023 amounted to approximately $138,000 and was comprised primarily of interest earned on cash balances. Operating expenses for the period totalled approximately $208,000. The management expense ratio ("MER") was 11.88% for Class A and 7.71% for Class F for the period ended June 30, 2023. 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 3.61% for Class A and 3.59% for Class F for the period ended June 30, 2023. The loss for the period amounted to approximately $92,000. 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 0.7% from $22.97 at inception to $22.82 on June 30, 2023. On a per unit basis, the net assets per Class F attributable to unitholders of the Fund increased by 0.4% from $23.86 at inception to $23.87 on June 30, 2023. An unrealized loss on investments of $23,000 has been recorded as at June 30, 2023.

Trends

Gold remains driven by market views on inflation and rate hikes expectations in the U.S., and especially focused on when the current tightening cycle will end. With inflation in the U.S. near 2-year lows, market expectations for more rate hikes are weakening.

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. In addition, MCC received an agency fee from the Fund in respect of units it sold in 2023. For further details, please see the notes to the financial statements.

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 prime brokerage services agreement that provides the lender with a security interest over the assets of the Fund. As at June 30, 2023, the Fund had a loan payable of $nil The minimum and maximum amounts borrowed during the period were $nil and $nil, 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[1]

		2023[4]
Net Assets Attributable to Unitholders, Beginning of Period	$	22.97*
INCREASE (DECREASE) FROM OPERATIONS:		
Total Revenue		0.17
Total Expenses[3]		(0.25)
Unrealized Loss for the Period		(0.03)
TOTAL DECREASE FROM OPERATIONS[2]		(0.15)
Net Assets Attributable to Unitholders, End of Period	$	22.82

The Fund’s Net Assets Attributable to Unitholders Per Class F Unit[1]

		2023[4]
Net Assets Attributable to Unitholders, Beginning of Period	$	23.86*
INCREASE (DECREASE) FROM OPERATIONS:		
Total Revenue		0.17
Total Expenses[3]		(0.25)
Unrealized Loss for the Period		(0.02)
TOTAL INCREASE FROM OPERATIONS[2]		0.01
Net Assets Attributable to Unitholders, End of Period	$	23.87

(1) This information is derived from the Fund’s unaudited interim financial report.

(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 June 30, 2023 or for the period February 23, 2023 (date of commencement of operations) to June 30, 2023, as applicable.

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

Ratios and Supplemental Data – Class A

		2023[4]
Total Net Asset Value (000s)	$	**14,299**
Number of Units Outstanding		**626,609**
Management Expense Ratio ("MER")[1]		**11.88%**
MER (excluding interest expense and issuance costs)[1]		**3.61%**
Trading Expense Ratio[2]		**-**
Portfolio Turnover Rate[3]		**-**
Net Asset Value per Unit	$	**22.82**

Ratios and Supplemental Data – Class F

		2023[4]
Total Net Asset Value (000s)	$	**4,898**
Number of Units Outstanding		**205,220**
Management Expense Ratio ("MER")[1]		**7.71%**
MER (excluding interest expense and issuance costs)[1]		**3.59%**
Trading Expense Ratio[2]		**-**
Portfolio Turnover Rate[3]		**-**
Net Asset Value per Unit	$	**23.87**

(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 June 30, 2023 or for the period February 23, 2023 (date of commencement of operations) to June 30, 2023, as applicable.

Past Performance

The Fund has not presented its historical performance because it commenced operations on February 23, 2023 and accordingly has been in existence for less than one year.

Summary of Investment Portfolio

AS AT JUNE 30, 2023

Top Twenty-Five Holdings

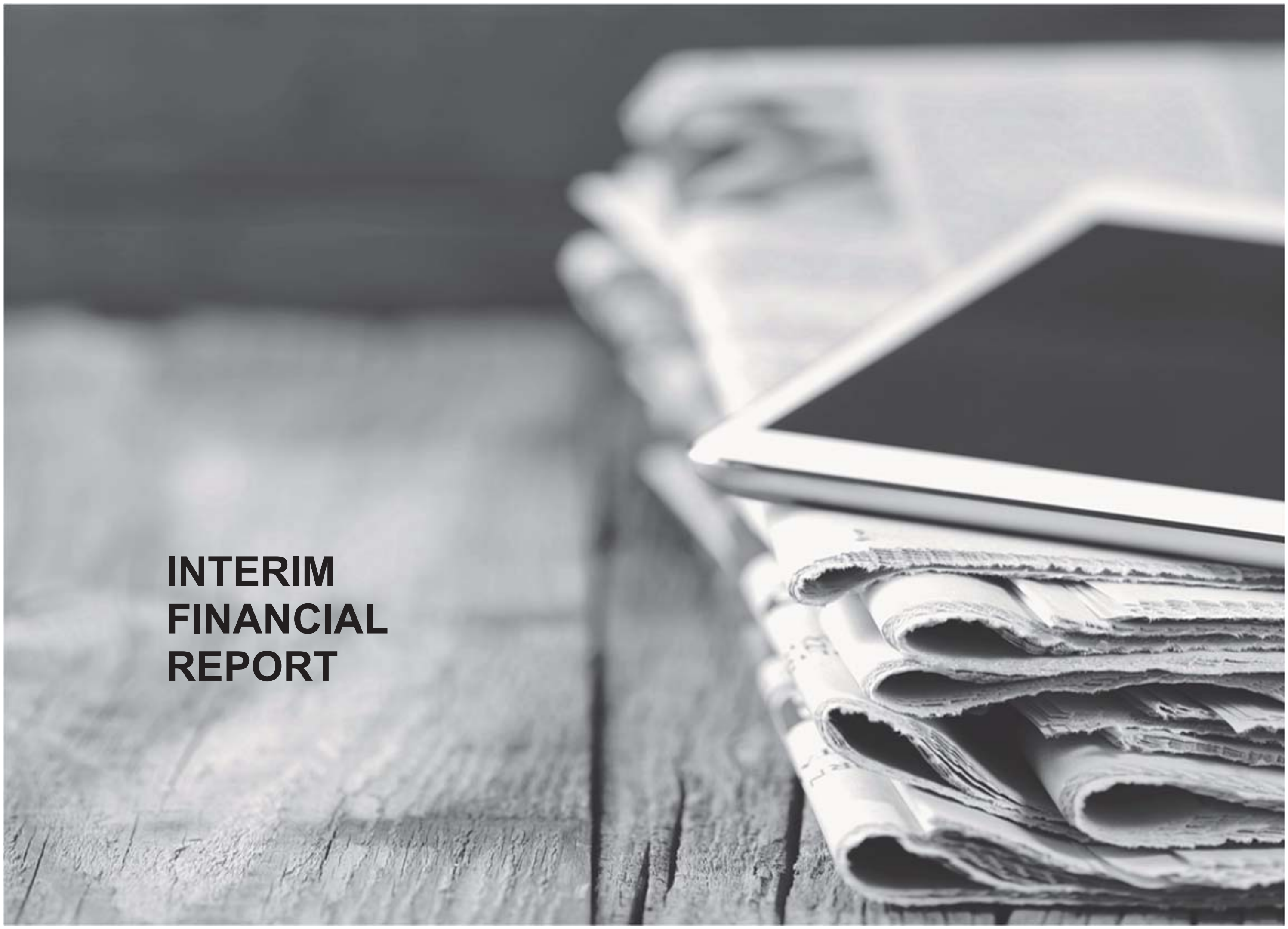
DESCRIPTION		% OF NET ASSET VALUE
1	Tudor Gold Corp.	9.1
2	Eureka Lithium Corp.	5.1
3	Latitude Uranium Inc.	4.2
4	VR Resources Ltd.	3.3
5	Wallbridge Mining Co Ltd.	3.1
6	Goldshore Resources Inc.	2.8
7	Galway Metals Inc.	2.4
8	Kirkland Lake Discoveries	2.4
9	Baselode Energy Corp.	2.1
10	Traction Uranium Corp.	2.0
11	Omineca Mining & Metals Ltd.	2.0
12	Eureka Lithium Corp. - Warrants, 31 May 2025	1.6
13	Vizsla Copper Corp.	1.6
14	Signal Gold Inc.	1.5
15	Klondike Gold Corp.	1.5
16	Gold Terra Resource Corp.	1.3
17	Latitude Uranium Inc. - Warrants, 29 March 2026	1.3
18	P2 Gold Inc.	1.2
19	VR Resources Ltd. - Warrants, 19 October 2025	1.2
20	Kirkland Lake Discoveries - Warrants, 30 May 2025	1.1
21	Red Pine Exploration Inc.	1.1
22	Omineca Mining and Metals Ltd. - Warrants, 23 March 2026	1.1
23	Cartier Resources Inc.	1.0
24	Tudor Gold Corp. - Warrants, 13 April 2025	0.9
25	iMetal Resources Inc.	0.9

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

ASSET CLASS	% OF NET ASSET VALUE
Gold	35.8
Metals and Mining	13.4
Uranium	10.1
Cash and Short-Term Investments	42.3
Other Net Liabilities	(1.6)
	100.0

TOTAL NET ASSET VALUE	$ 19,196,714

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.



NOTICE

The accompanying unaudited financial statements of MRF 2023 Resource Limited Partnership for the period ended June 30, 2023 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 21, 2023

Statement of Financial Position

AS AT JUNE 30, 2023
(In Canadian Dollars)

ASSETS		
Current Assets		
Investments at Fair Value through Profit or Loss	$	**11,384,651**
Cash		**8,124,717**
Total Assets		**19,509,368**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)		**312,654**
Total Liabilities (Excluding Net Assets Attributable to Unitholders)		**312,654**
Net Assets Attributable to Unitholders	$	**19,196,714**
Net Assets Attributable to Unitholders – Class A	$	**14,299,067**
Net Assets Attributable to Unitholders – Class F	$	**4,897,647**
Units Issued and Outstanding – Class A (Note 3F)		**626,609**
Units Issued and Outstanding – Class F (Note 3F)		**205,220**
Net Assets Attributable to Unitholders per Unit – Class A	$	**22.82**
Net Assets Attributable to Unitholders per Unit – Class F	$	**23.87**

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

Statement of Comprehensive Income

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

TAX SHELTER IDENTIFICATION NUMBER (NOTE 8): TS095547

(In Canadian Dollars)

REVENUE		
Interest Income	$	**138,432**
Other Changes in Fair Value of Financial Assets and Financial Liabilities at Fair Value through Profit or Loss		
Net Unrealized Loss on Investments		**(22,791)**
Total Profit		**115,641**
OPERATING EXPENSES (Note 9)		
Advisory Fee		**10,104**
Audit Fees		**9,874**
Custodial Fees		**913**
Fund Administration Costs		**31,792**
Management Fee		**132,133**
Unitholder Reporting Costs		**22,734**
Total Operating Expenses		**207,550**
Loss	$	**(91,909)**
Decrease in Net Assets Attributable to Unitholders	$	**(91,909)**
Decrease in Net Assets Attributable to Unitholders – Class A	$	**(70,371)**
Decrease in Net Assets Attributable to Unitholders – Class F	$	**(21,538)**
Decrease in Net Assets Attributable to Unitholders per Unit – Class A (Note 3F)	$	**(0.11)**
Decrease in Net Assets Attributable to Unitholders per Unit – Class F (Note 3F)	$	**(0.10)**

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

Statement of Changes in Net Assets Attributable to Unitholders

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	$ -	$ -	$ -
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**

Statement of Cash Flows

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

(In Canadian Dollars)	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Decrease in Net Assets Attributable to Unitholders	**$ (91,909)**
Adjustments:	
Purchases of Investments	**(11,407,442)**
Net Unrealized Loss on Investments	**22,791**
	(11,476,560)
Net Change in Non-Cash Working Capital	**312,654**
Net Cash used in Operating Activities	**(11,163,906)**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Proceeds from Issue of Units	**20,795,725**
Payment of Agents' Fees	**(1,016,187)**
Payment of Issue Costs	**(490,915)**
Net Cash from (used in) Financing Activities	**19,288,623**
Net Increase in Cash	**8,124,717**
Cash at Beginning of Period	**-**
Cash at End of Period	**$ 8,124,717**

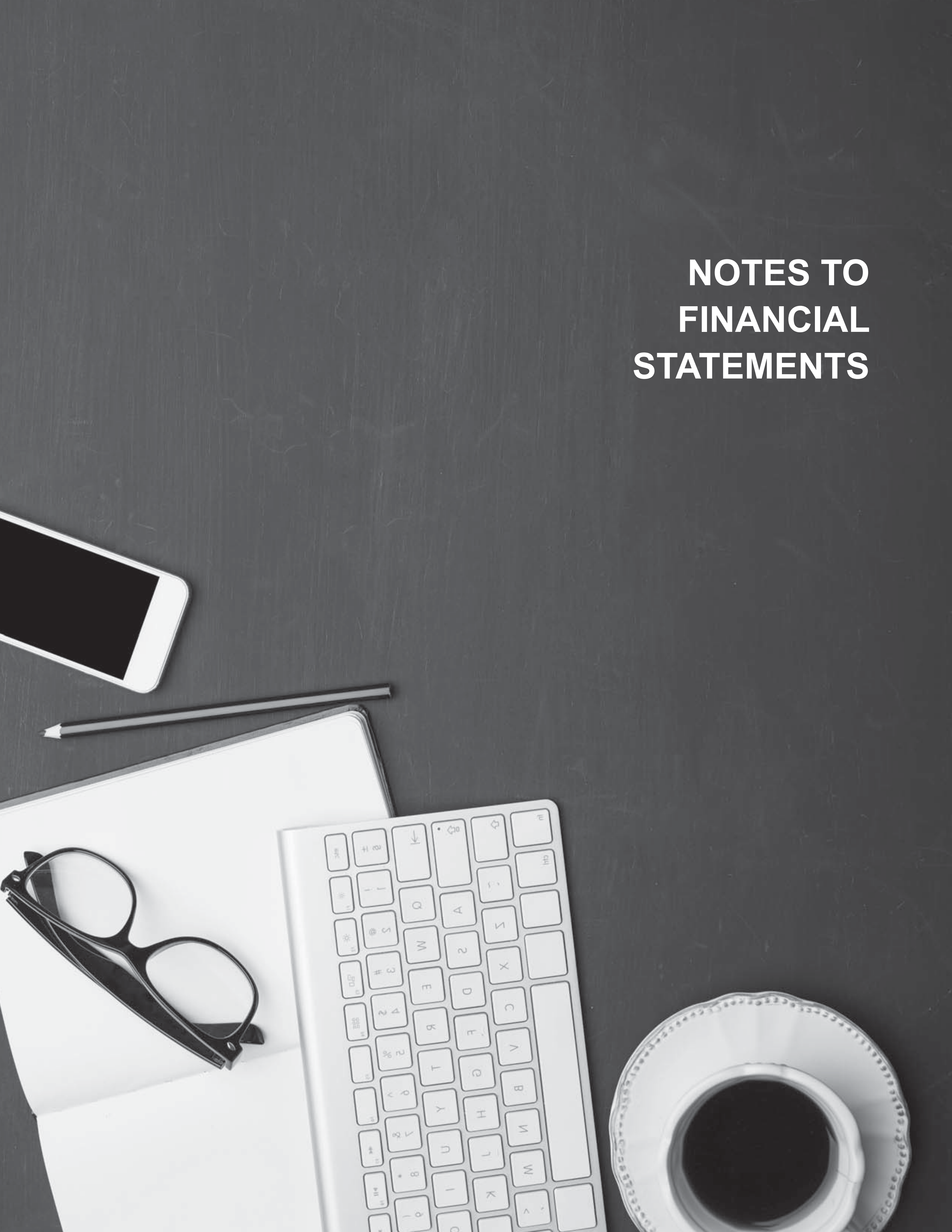
The accompanying notes to financial statements are an integral part of these financial statements.

Schedule of Investment Portfolio

AS AT JUNE 30, 2023
(In Canadian Dollars)

Description	No. of Securities		Average Cost		Fair Value
Cartier Resources Inc.	1,940,000	$	300,700	$	184,300
Galway Metals Inc.	1,233,300		739,980		468,654
Gold Terra Resource Corp.	3,000,000		345,000		255,000
Goldshore Resources Inc.	3,000,000		585,000		540,000
Goldshore Resources Inc. - Warrants, 13 April 2025	1,500,000		-		63,210
iMetal Resources Inc.	1,000,000		250,000		165,000
iMetal Resources Inc. - Warrants, 6 April 2025	1,000,000		-		66,960
Kirkland Lake Discoveries	2,750,000		756,250		467,500
Kirkland Lake Discoveries - Warrants, 30 May 2025	2,750,000		-		220,193
Klondike Gold Corp.	3,500,000		402,500		280,000
Klondike Gold Corp. - Warrants, 28 April 2025	3,500,000		-		21,000
Omineca Mining & Metals Ltd.	4,500,000		495,000		382,500
Omineca Mining and Metals Ltd. - Warrants, 23 March 2026	4,500,000		-		206,505
P2 Gold Inc.	937,500		300,000		234,375
P2 Gold Inc. - Warrants, 4 May 2025	937,500		-		88,959
Red Pine Exploration Inc.	1,287,500		302,563		218,875
Red Pine Exploration Inc. - Warrants, 5 April 2024	643,750		-		17,143
Signal Gold Inc.	1,250,000		400,000		281,250
Signal Gold Inc. - Warrants, 1 December 2024	625,000		-		20,938
Sun Summit Minerals Corp.	2,500,000		300,000		137,500
Sun Summit Minerals Corp. - Warrants, 10 May 2025	2,500,000		-		35,600
Tudor Gold Corp.	1,475,000		1,888,000		1,755,250
Tudor Gold Corp. - Warrants, 13 April 2025	737,500		-		165,525
Wallbridge Mining Co Ltd.	4,100,000		758,500		594,500
GOLD: 35.2%			7,823,493		6,870,737
Eureka Lithium Corp.	1,000,000		600,000		980,000
Eureka Lithium Corp. - Warrants, 31 May 2025	500,000		-		313,660
Kodiak Copper Corp.	150,000		144,000		114,000
Kodiak Copper Corp. - Warrants, 21 April 2025	75,000		-		9,455
Vizsla Copper Corp.	1,250,000		300,000		300,000
VR Resources Ltd.	1,875,000		300,000		628,125
VR Resources Ltd. - Warrants, 19 October 2025	937,500		-		224,540
METALS AND MINING: 13.2%			1,344,000		2,569,780
Baselode Energy Corp.	1,000,000		480,000		400,000
Baselode Energy Corp. - Warrants, 10 May 2025	500,000		-		52,280
Latitude Uranium Inc.	3,000,000		1,259,999		810,000
Latitude Uranium Inc. - Warrants, 29 March 2026	1,500,000		-		241,365
Traction Uranium Corp.	1,111,000		499,950		388,850
Traction Uranium Corp. - Warrants, 9 May 2025	555,500		-		51,639
URANIUM: 10.0%			2,239,949		1,944,134
TOTAL INVESTMENTS: 58.4%			11,407,442		11,384,651
CASH: 41.6%			8,124,717		8,124,717
Total Investment Portfolio, Including Cash		$	19,532,159	$	19,509,368

NOTES TO FINANCIAL STATEMENTS



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 21, 2023.

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 Significant Accounting Policies

A. Basis of Accounting

IFRS 9 *Financial Instruments* (“IFRS9”)

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.

3. Summary of Significant 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 11). 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.

3. Summary of Significant 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 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.

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 June 30, 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.

As at June 30, 2023

Description	Level 1	Level 2	Level 3	Total
Equities	$ 8,103,179	$ 1,482,500	$ -	$ 9,585,679
Warrants	-	1,798,972	-	1,798,972
Total	$ 8,103,179	$ 3,281,472	$ -	$ 11,384,651

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 June 30, 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.

5. Financial Risk Management (continued)

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 18.5% of the Fund's net assets as at June 30, 2023: Tudor Gold Corp. (9.1%), Eureka Lithium Corp. (5.1%) and Latitude Uranium Inc. (4.2%). 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:

	June 30, 2023
Investments at FVTPL	$ 11,384,651

Based on the above exposure at June 30, 2023, a 10% increase or decrease in the prices of the Fund's investments would result in a $1,138,465 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:

	June 30, 2023
Cash	$ 8,124,717

Based on the above exposures at June 30, 2023, a 1% per annum increase or decrease in interest rates would result in a $81,247 increase or decrease 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, 2023, 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 June 30, 2023

Financial Liabilities	Less than 1 Month	1 to 3 Months	3 Months to 1 Year	Total
Accounts Payable and Accrued Liabilities	$ 312,654	$ -	$ -	$ 312,654

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.

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, 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, 2023
Gold	35.8
Metals and Mining	13.4
Uranium	10.1
Total	59.3

6. 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, 2023, loans outstanding was in the amount of $nil. The minimum and maximum loans outstanding during the period ended June 30, 2023 were $nil and $nil, respectively. The Fund is subject to bank covenants on the loan payable and is in compliance with those covenants in 2023. Finance costs primarily relate to loan interest expenses.

7. Transaction Costs

Brokerage commissions and other transaction costs paid in connection with securities transactions during the period ended June 30, 2023 amounted to $nil. Brokerage commissions and other transaction costs were expensed and recorded in the Statement of Comprehensive Income.

8. 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.

9. Related Party Transactions

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 June 30, 2023, the management and advisory fees payable by the Fund were $29,301 and $1,542, respectively and are included in Accounts Payable and Accrued Liabilities. 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 11) 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, 2023, agency fees paid to MCC amounted to $1,710.

10. 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.

11. 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.

12. Comparative Financial Statements

The Fund commenced operations on February 23, 2023. Accordingly, there are no comparative financial statements for the period ended June 30, 2022.

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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
• International Clean Power Dividend Fund	CLP.UN
• 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
• Sustainable Real Estate Dividend Fund	MSRE.UN

MIDDLEFIELD MUTUAL FUNDS TRUST FUNDS Series A Units	Fund Code 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 Series A Shares	Fund Code 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 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 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 2022 Short Duration LP
- MRF 2022 Resource Limited Partnership
- MRF 2023 Resource Limited Partnership (commenced February 23, 2023)

INTERNATIONAL FUNDS	
• Middlefield Canadian Income PCC	London UK Stock Exchange (LSE) Symbol:MCT

MIDDLEFIELD

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