



Midland Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Nine months ended June 30, 2017

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

The following quarterly highlights management discussion and analysis (the “MD&A Highlights”) of the financial condition and results of the operations of Midland Exploration Inc. (“Midland” or “the Corporation”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for Q3-17 YTD. This MD&A Highlights should be read in conjunction with the Corporation’s condensed interim financial statements as at June 30, 2017 prepared in accordance with the International Financial Reporting Standards (“IFRS”), as well as with the management discussion and analysis Fiscal 2016. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com.

Abbreviation	Period
Q1-16	October 1, 2015 to December 31, 2015
Q2-16	January 1, 2016 to March 31, 2016
Q3-16	April 30, 2016 to June 30, 2016
Q3-16 YTD	October 1, 2015 to June 30, 2016
Q4-16	July 1, 2016 to September 30, 2016
Fiscal 2016	October 1, 2015 to September 30, 2016
Q1-17	October 1, 2016 to December 31, 2016
Q2-17	January 1, 2017 to March 31, 2017
Q3-17	April 1, 2017 to June 30, 2017
Q3-17 YTD	October 1, 2016 to June 30, 2017
Q4-17	July 1, 2017 to September 30, 2017
Fiscal 2017	October 1, 2016 to September 30, 2017

1. NATURE OF ACTIVITIES

Midland, incorporated on October 2, 1995 and operating under the Business Corporations Act (Québec), is a company in the mining exploration business. The Corporation’s operations include the acquisition and exploration of mining properties. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the MD ticker.

2. OVERALL PERFORMANCE

In May 2017, the board of directors has approved the nomination of Paul Archer as director of Midland. Mr. Archer brings to our board his extensive experience gained while working at Osisko Gold Royalties Ltd and Virginia Mines Inc., and his remarkable success in exploration with the discovery of the Eleonore gold deposit.

Midland has an adjusted working capital of \$13,162,075 as of June 30, 2017 (\$13,787,092 as of September 30, 2016). Adjusted working capital is a non-IFRS financial performance measure which has no standard definition under IFRS and is calculated as follow:

	As at June 30, 2017	As at September 30, 2016
	\$	\$
Current assets	10,928,524	11,369,712
Investments - non-current portion	3,078,910	3,078,910
Current liabilities	(845,359)	(661,530)
Adjusted working capital	13,162,075	13,787,092

In November 2016 and March 2017, the Corporation completed private placements by issuing 1,898,354 flow-through shares respectively at \$1.35 per share, for total gross proceeds of \$2,562,776. The balance on flow-through financing not spent according to the restrictions imposed by these financings represents \$111,184 as at June 30, 2017.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

2. OVERALL PERFORMANCE (CONT'D)

On February 10, 2017, the Corporation signed a letter of intent creating a strategic alliance with Altius Minerals Corporation (“Altius”), whereby Altius and the Corporation will combine their efforts to jointly explore the gold potential of the extensive James Bay region. The Corporation will be the operator.

On March 28, 2017, JOGMEC withdrew from the option agreement signed on January 21, 2014 and abandoned its right to exercise its option to acquire a 50% interest in the Pallas PGE property.

On April 27, 2017, the Corporation signed an option agreement with IAMGOLD Corporation (“IAMGOLD”) whereby IAMGOLD may earn, in three option, a maximum interest of 65% in the Héva property. For the first options over a 4 and a half years, IAMGOLD must pay \$500,000 in cash and complete \$4,000,000 of exploration work. In the second option, for 2 years, IAMGOLD can earn an additional interest of 10% by completing \$5,000,000 exploration work, \$500,000 exploration work for each additional 1%. Finally, IAMGOLD has a third option for 2 years to earn an additional interest of 5% by completing \$5,000,000 exploration work, \$1,000,000 of exploration work for each additional 1%.

As operator, Midland incurred exploration expenditures totalling \$3,981,377 (\$3,213,358 in Q3-16 YTD), on its properties of which \$919,541 was recharged to its partners (\$1,292,928 in Q3-16 YTD). The operating partners incurred \$600,680 of exploration expenses (\$266,962 in Q3-16 YTD). Also, the Corporation invested \$469,359 (\$288,187 in Q3-16 YTD) to complete several property acquisitions in Quebec of which \$49,705 was recharged to its partners (\$42,472 in Q3-16 YTD).

The Corporation reported a loss of \$663,749 in Q3-17 YTD compared to \$515,329 for Q3-16 YTD.

- Salaries increased to \$448,565 (\$348,575 in Q3-16 YTD) due to salary increase and the addition of one member to the Midland team.
- Stock-based compensation increased to \$219,724 (\$56,249 in Q3-16 YTD). Of the multiple factors influencing this expense, we notice that the fair value estimated with the Black Scholes model for the Fiscal 2016 and 2017 is approximately doubled from the fair value estimated for the August 2015 grant.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES

Deferred exploration expenses Q3-17 YTD	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	236,090	3,160	-	33,638	-	-	36,798	1,234	-	(54)	-	-	37,978	274,068
Laflamme Au	1,893,853	23,712	109,332	181,792	5,778	-	320,614	8,055	-	(216)	-	-	328,453	2,222,306
Patris Au	221,646	3,486	-	3,883	-	-	7,369	198	(7,369)	-	-	-	198	221,844
Casault Au	352,708	67,736	81,622	780,930	47,827	18,533	996,648	15,382	(504,963)	(2,012)	-	-	505,055	857,763
Jouvex Au	351,966	2,806	87,704	-	-	20,923	108,627	1,690	(55,716)	(418)	-	-	56,989	408,955
Heva Au	157,076	51,548	12,157	300	3,609	35,580	111,433	8,515	(300)	(9,310)	-	-	102,099	259,175
Valmond Au	120,742	-	-	-	-	-	-	-	-	-	-	-	-	120,742
Samson Au	78,203	850	-	389	-	-	1,239	1,240	-	-	-	-	2,479	80,682
La Peltrie	652,484	39,416	312,312	1,374	-	49,275	402,377	13,049	-	(413)	-	-	415,013	1,067,497
Adam	42,841	23,557	58,410	4,251	-	-	86,218	1,234	-	-	-	-	87,452	130,293
Abitibi Au	173,644	29,119	4,050	114	611	-	33,894	1,115	-	(861)	-	-	34,148	207,792
Grenville-Appalaches														
Weedon Cu Zn Au	523,230	19,462	7,000	-	32,763	-	59,225	3,359	-	(1,578)	-	-	61,006	584,236
Gatineau Zn	29,024	10,561	-	-	-	-	10,561	-	-	-	-	-	10,561	39,585
Bay-James														
Bay-James Au	261,886	16,894	40,700	-	-	-	57,594	-	-	(2,390)	-	-	55,204	317,090
Eleonore Au	1,629,303	10,164	-	-	-	-	10,164	5,020	-	(3,267)	-	-	11,917	1,641,220
JV Eleonore Au	124,692	172,573	-	533	9,096	-	182,202	15,404	-	(40,611)	-	-	156,995	281,687
JV JB Altius	-	145,300	-	-	-	-	145,300	3,141	(72,650)	-	-	-	75,791	75,791
Québec Labrador														
Ytterby ETR	183,583	-	-	-	-	-	-	-	-	-	-	-	-	183,583
Northern Quebec														
Pallas PGE	369,500	60,113	-	474,576	32,084	-	566,773	5,557	(278,543)	(104,524)	-	-	189,263	558,763
Willbob Au	565,271	188,071	-	574,417	79,065	-	841,553	48,416	-	(67,157)	-	-	822,812	1,388,083
Projects generation														
	74,069	8,221	-	-	-	-	8,221	-	-	(366)	-	-	7,855	81,924
TOTAL	8,041,811	876,749	713,287	2,056,197	210,833	124,311	3,981,377	132,609	(919,541)	(233,177)	-	-	2,961,268	11,003,079

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CON'T)

Deferred exploration expenses Q3-16 YTD	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	232,965	5,736	-	-	-	-	5,736	-	-	-	-	-	5,736	238,701
Laflamme Au	1,507,229	67,941	88,123	304,985	19,263	6,352	486,664	791	-	(99,028)	-	-	388,427	1,895,656
Patris Au	219,143	8,545	1,093	3,124	-	-	12,762	2,225	(12,762)	-	-	-	2,225	221,368
Casault Au	298,888	71,249	134,963	498,131	77,831	32,287	814,461	10,997	(814,461)	-	-	-	10,997	309,885
Jouvex Au	348,457	30,921	113,208	167,340	15,543	-	327,012	2,718	(327,012)	-	-	-	2,718	351,175
Heva Au	35,133	95,034	-	-	8,829	-	103,863	-	-	(23,167)	-	-	80,696	115,829
Valmond Au	120,742	-	-	-	-	-	-	-	-	-	-	-	-	120,742
Samson Au	439	8,800	65,591	389	576	-	75,356	1,409	-	(16,505)	-	-	60,260	60,699
La Peltrie	118,209	23,904	271,584	246,923	15,384	63,480	621,275	1,482	-	(99,047)	-	-	523,710	641,919
Adam	-	2,752	32,037	-	-	11,625	46,414	-	-	(4,716)	-	-	41,698	41,698
Abitibi Au	117,841	12,802	47,813	-	-	6,875	67,490	-	-	(13,200)	-	-	54,290	172,131
Grenville-Appalaches														
Weedon Cu Zn Au	484,279	8,176	-	29,445	594	-	38,215	-	-	(3,415)	-	-	34,800	519,079
Gatineau Zn	28,892	99	-	-	-	-	99	-	-	-	-	-	99	28,991
Bay-James														
Bay-James Au	248,057	14,451	168	-	2,043	-	16,662	-	-	(5,312)	-	-	11,350	259,407
Eleonore Au	1,527,352	35,351	-	-	7,922	-	43,273	1,682	-	(14,807)	-	-	30,148	1,557,500
JV Eleonore Au	-	48,751	-	-	-	-	48,751	-	-	(17,801)	-	-	30,950	30,950
Quebec Labrador														
Ytterby ETR	172,054	6,144	-	-	5,385	-	11,529	-	-	-	-	-	11,529	183,583
Northern Quebec														
Pallas PGE	269,391	195,015	-	-	23,193	-	218,208	2,818	(138,693)	(27,735)	-	-	54,598	323,989
Willbob Au	111,951	162,045	90,828	-	7,668	-	260,541	593	-	(92,799)	-	-	168,335	280,286
Projects Generation														
Projects Generation	59,390	15,047	-	-	-	-	15,047	-	-	(1,833)	-	-	13,214	72,604
TOTAL	5,900,412	812,763	845,408	1,250,337	184,231	120,619	3,213,358	24,715	(1,292,928)	(419,365)	-	-	1,525,780	7,426,192

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CON'T)

Expenses Exploration and evaluation Properties	Actual Q3-16 YTD			Actual Q3-17 YTD			Budget Fiscal 2017		
	Midland	Partner	Total	Midland	Partner	Total	Midland	Partner	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
100% owned by Midland									
Abitibi Au	67,490	-	67,490	33,894	-	33,894	255,000	-	255,000
Valmond	-	-	-	-	-	-	5,000	-	5,000
La Peltrie	621,275	-	621,275	402,377	-	402,377	150,000	-	150,000
Weedon Cu-Zn-Au	38,215	-	38,215	59,225	-	59,225	100,000	-	100,000
Gatineau Zn	99	-	99	10,561	-	10,561	35,000	-	35,000
James Bay Au	16,662	-	16,662	57,594	-	57,594	50,000	-	50,000
Éléonore Au	43,273	-	43,273	10,164	-	10,164	250,000	-	250,000
Willbob	260,541	-	260,541	841,553	-	841,553	1,000,000	-	1,000,000
Samson	75,356	-	75,356	1,239	-	1,239	30,000	-	30,000
Adam	46,414	-	46,414	86,218	-	86,218	50,000	-	50,000
Project generation	15,201	-	15,201	8,221	-	8,221	30,000	-	30,000
	1 184 526	-	1 184 526	1,511,046	-	1,511,046	2,355,000	-	2,355,000
With option, 100% owned and operated by Midland and paid by partner									
Pallas PGE Jogmec	79,515	138,693	218,208	288,230	278,543	566,773	150,000	150,000	300,000
With option, 100% owned by Midland, operated and paid by the partner									
Patris Au – Teck	-	153,361	153,361	-	386,953	386,953	-	700,000	700,000
Heva – Iamgold	103,863	-	103,863	103,194	-	103,194	400,000	-	400,000
	103,863	153,361	257,224	103,194	386,953	490,147	400,000	700,000	1,100,000
In joint venture									
Maritime-Cadillac-Agnico Eagle (operator) at 51%	5,736	5,086	10,822	36,798	38,300	75,098	100,000	100,000	200,000
Vermillon- Soquem at 52.5%	16,887	15,940	32,827	-	-	-	10,000	10,000	20,000
Ytterby REE-Jogmec at 49.5%	11,529	-	11,529	-	-	-	5,000	5,000	10,000
Lafamme Au – Aurbec at 27.4%	486,664	-	486,664	320,614	-	320,614	150,000	-	150,000
Casault - Soquem	-	814 461	814 461	491,685	505,557	997,242	335,000	350,000	685,000
Jouvex – Soquem	-	327 012	327 012	55,717	55,716	111,433	48,000	50,000	98,000
JV Éléonore -Osisko	48,751	42,019	90,770	182,202	182,202	364,404	300,000	300,000	600,000
JVJB Altius	-	-	-	72,650	72,650	145,300	-	-	-
	569 567	1 204 518	1 774 085	1,159,666	854,425	2,014,091	948,000	815,000	1,763,000
	1 937 471	1 496 572	3 434 043	3,062,136	1,519,921	4,582,057	3,453,000	1,665,000	5,118,000

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

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

Gino Roger, geological engineer, president and director of Midland, qualified person under NI 43-101, has reviewed the following technical disclosure.

ABITIBI

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

Exploration work on the property

Following the identification of new drilling targets that were generated on Maritime-Cadillac using a 3D-Model, two (2) short drill holes totalling 618.0 metres were completed during Q2-17.

Hole 141-17-36 was completed at a final depth of 303.0 metres and tested high historical gold values obtained from the Maritime-Cadillac zone. Drill hole 141-17-36 intersected a gold-bearing zone grading 1.46 g/t Au over 31.60 metres from 112.80 to 144.40 metres, including 2.2 g/t Au over 15.6 metres on the historic Maritime-Cadillac showing, at a vertical depth of approximately 100 metres. This gold-bearing zone comprises several higher grade intervals including 4.3 g/t Au over 0.9 metre (124.1 to 125.0 m), 3.4 g/t Au over 1.0 metre (126.0 to 127.0 m) and 5.7 g/t Au over 0.6 metre (135.0 to 135.6 m). The gold mineralization is hosted in an altered felsic intrusion, described as a silicified albitite that contains up to 3-5% pyrite-pyrrhotite-arsenopyrite, finely disseminated throughout the intrusion.

Hole 141-17-37 was completed at a final depth of 315.0 metres and tested the intersection between the Dyke East gold-bearing structure with the Maritime Contact. This second hole was collared approximately 250 metres north of the Maritime-Cadillac zone. Drill hole 141-17-37 yielded an isolated value of 2.92 g/t Au over 1.2 metre, from 127.3 to 128.5 metres, in a minor shear zone hosting up to 30% quartz veinlets.

Agnico Eagle is currently preparing a phase of mechanical stripping this summer in order to facilitate planning the next phase of drilling.

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

Exploration work on the property

A new drilling program totaling 1,425.0 metres and consisting in three (3) drill holes was completed in the area of the Copernick (Ni-Cu-PGE) discovery during Q2-17.

Hole LAF-16-42EXT started at depth of 198.0 metres and ended at a final depth of 522.0 metres, for a total length of 324.0 metres. Unmineralized ultramafic rocks were intersected but no significant assay result was obtained.

Hole LAF-17-43 tested the Copernick zone at about 100 metres to the west and was completed at a depth of 600.0 metres. Ultramafic rocks were intersected between 337.35 and 388.0 metres but are only weakly mineralized overall with disseminated traces to 0.5% Po and of Cpy. No significant assay result was obtained.

Hole LAF-17-44 was completed at a final depth of 501.0 metres and was testing the Copernick zone at approximately 100 metres to the east. This hole intersected a porphyritic gabbro instead of ultramafic rocks as it was expected. No ultramafic rock was intersected in that hole. Few quartz-carbonate veinlets with Py were cut but no significant assay results was obtained.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

3.3 Patris (Au), in partnership with Teck and operated by Teck

Exploration work on the property

The assay results were received from the drilling program completed on Patris in December 2016. This program consisted in three (3) holes totalling 744.0 metres. As a result of this program, an important alteration corridor affecting the ultramafic rocks and the porphyritic dykes was identified over a distance of 1.1 kilometre between holes PAT-15-03 and PAT-16-10. The best assay result returned 0.68 g/t Au over 1.60 metre in hole PAT-16-10.

3.4 Casault (Au), in partnership with SOQUEM and operated by Midland

Exploration work on the property

During Q2-17, a drilling program consisting in eight (8) holes totalling 2,208.0 metres was completed mostly in the area west of the Timiskaming-type conglomerate basin and to the south-east of the Bug Lake Southeast zone owned by Balmoral. Three IP grids were also completed and the final report was completed. Several new IP anomalies located near the northern contact of the Timiskaming basin were identified.

Drill hole CAS-17-86 targeted an induced polarization anomaly located where the regional Sunday Lake Fault cuts the western end of a Timiskaming-type conglomerate basin, and intersected a new gold-bearing zone grading 3.1 g/t Au over 1.40 metres (180.50 to 181.90 m), including an interval at 3.94 g/t Au over 0.90 metre (181.00 to 181.90 m). This zone is included within a larger anomalous envelope which yielded a gold value of 0.56 g/t Au over 16.0 metres, from 180.50 to 196.50 metres. In addition to this new zone, three other zones with anomalous gold values were intersected higher up the drill hole, between 119.4 and 172.6 metres downhole depth.

An additional IP-OreVision survey, totalling approximately 10 km, was completed in the area of hole CAS-17-86. The final report is pending. Midland and Soquem plan to resume drilling this fall.

3.5 Jouvex (Au), in partnership with SOQUEM and operated by Midland

Exploration work on the property

Two IP-OreVision grids were completed during on Jouvex in the northern part of the property. Preliminary results show the presence of several chargeability anomalies and the presence of a strong formational conductor on the west grid. The final report is pending.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

3.6 Heva (Au), in partnership with IAMGOLD and operated by Midland

Property description

On April 27, 2017, the Corporation signed an option agreement with IAMGOLD Corporation (“IAMGOLD”) whereby IAMGOLD may earn, in three option, a maximum interest of 65% in the Héva property, by fulfilling the following conditions:

	Payments in cash	Work
	\$	\$
First Option for a 50% initial interest		
Upon signature	50,000	-
On or before April 30, 2018 (\$250,000 firm commitment)	70,000	500,000
On or before April 30, 2019	80,000	700,000
On or before April 30, 2020	120,000	1,200,000
On or before October 31, 2021	180,000	1,600,000
	500,000	4,000,000
Second Option for a 10% additional interest		
Within 2 years from the date the first option is exercised, \$500,000 of exploration work for each additional 1% interest	-	5,000,000
Third Option for a 5% additional interest		
Within 2 years from the date the second option is exercised, \$1,000,000 of exploration work for each additional 1% interest	-	5,000,000
Total, for a 65% maximum interest	500,000	14,000,000

IAMGOLD is the operator.

Exploration work on the property

During Q1-17, a detailed ground magnetic survey was conducted and a prospecting program was completed in follow-up on soil geochem anomalies. Results from the prospecting returned several new showings including 41.0 g/t Au, 9.2 g/t Au (East sector), 13.9 g/t Au, 8.0 g/t Au (Centre sector) and 1.7 g/t Au (West sector).

Following the new option agreement with lamgold, they have started a detailed structural mapping of the trenches this summer on Heva. Their geophysicist is also reviewing the historical geophysics (mag-IP) on the property in order to evaluate the possibility to do more geophysics this fall.

3.7 La Peltrie (Au), operated by Midland

Exploration work on the property

A VTEM-type electromagnetic survey totalling approximately 560 km was completed during Q2-17 in the southern portion of the property. The final interpretation is in progress.

Moreover, a new OreVision IP survey, totalling approximately 65 kilometres, was completed in Q2-17 on lines at a 200-metre spacing in the west part of the La Peltrie property. The survey was mainly designed to cover an iron formation with anomalous gold values, which has seen very little drill-testing, over a distance of more than 1.5 kilometres. The OreVision survey identified a new high-priority drilling target, characterized by a chargeability anomaly defined over approximately 600 metres, associated with an interpreted NW-SE-trending structure which has never been drill-tested. This anomaly cross-cuts the gold-bearing iron formation, and two historic drill holes, respectively located 250 metres east and 250 metres west of the structure, yielded gold-bearing intercepts grading 0.24 g/t Au over 19.50 metres (drill hole 11-493-01) and 0.35 g/t Au over 9.30 metres (drill hole 11-493-02).

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

Several other new OreVision anomalies were also identified along this iron formation, as well as another very similar gold-bearing iron formation located approximately 3.5 kilometres further west, where historic drill holes yielded anomalous gold values up to 0.14 g/t Au over 19.0 metres (drill hole 1180-97-09).

3.8 Adam (Cu-Au), operated by Midland

Exploration work on the property

A VTEM electromagnetic survey totalling 224 km was completed during Q2-17 in the northwest part of the property. Several formational-type conductors were identified.

A detailed compilation of the historical works on the Adam property was completed during Q3-17. All the data was received and will be reviewed during Q4-17.

GRENVILLE-APPALACHES

3.9 Weedon (Cu-Zn-Au) operated by Midland

Exploration work on the property

During Q1-17, a till sampling program had been completed along the road to the northeast of the Weedon mine as well as a ground EM test in the vicinity of Lingwick. A very weak conductor was detected to the south of the 2006 Cu-Zn showing.

During Q3-17, a follow-up till survey was completed to the NE of the Weedon mine over the anomaly that was found last year near the road. The follow-up survey confirmed the presence and extended the first till anomaly. A final interpretation is in progress.

JAMES BAY

3.10 James Bay Gold JV (Au), operated by Osisko

Exploration work on the property

The first regional exploration program carried out in 2016 included till surveys (717 samples), lake sediment surveys (102 samples) as well as prospecting work (240 rock samples). As a result of this work, several prospective areas were delineated, including eleven (11) high-priority areas that will be the focus of a ground follow-up during the next phase of exploration.

These new exploration targets, identified during the 2016 program, may be divided into two broad areas, located on either side of the Eleonore mine: the Northwest Area and the Southeast Area. Anomaly thresholds for tills and lake sediments were characterized by Osisko using their regional database for the James Bay region.

Northwest Area

- Target 1: Characterized by a cluster of till samples with anomalous gold values above the 95th percentile (“PCT”), over more than 2 kilometres, in heavy mineral concentrates and in the fine fraction.
- Target 2: Presence of an anomaly in gold grain counts in till samples and of arsenic values > 95 PCT in the fine fraction, in addition to a 2-metre-wide iron formation that graded 0.17 g/t Au in the prospecting campaign.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

- Target 3: A follow-up on an anomaly in gold grain counts in till samples yielded a copper anomaly > 95 PCT in the fine fraction.
- Target 4: Anomaly covering more than 6 square kilometres, characterized by four (4) lakes with anomalous gold values > 99 PCT and one lake with anomalous arsenic > 99.5 PCT.

Southeast Area

- Target 5: Cluster of gold and copper anomalies in the fine fraction of till samples > 95 PCT.
- Target 6: Area characterized by several gold anomalies identified by prospecting, with values of 0.48 g/t Au, 0.28 g/t Au, 0.21 g/t Au and 0.17 g/t Au in grab samples collected in mafic volcanic rocks and paragneisses with pyrrhotite and pyrite mineralization. This area is located at the contact between the La Grande and Opinaca subprovinces. The contact between these two geological subprovinces is the most important gold metallotect in the region.
- Target 7: Three copper anomalies in the fine fraction of till samples > 95 PCT, combined with a zinc anomaly > 99 PCT; a float boulder also yielded a grade of 6.85% Cu.
- Target 8: Target characterized by favourable geology identified during prospecting, with the presence of a silicified paragneiss with calc-silicate alteration and 2-10% pyrite and 2-3% pyrrhotite mineralization, which yielded values up to 0.31 g/t Au in grab sample. This target is also located directly along the prolific contact between the La Grande and Opinaca subprovinces.
- Target 9: A gold anomaly > 95 PCT in the fine fraction, where cursory prospecting work was carried out in 2016.
- Target 10: Cluster of lake sediment anomalies over more than 5 kilometres, characterized by two gold anomalies > 99.5 PCT, one gold anomaly > 95 PCT, and one antimony anomaly > 98 PCT.
- Target 11: Several lakes with anomalous antimony values ranging from 0.3 to 0.9 ppm Sb.

A new exploration program of \$200,000 was completed during Q3-17 in order to follow-up on these new target areas and the final assay results are pending.

3.11 JV JB Altius (Au), in partnership with Altius operated by Midland

Property description

On February 10, 2017, the Corporation signed a letter of intent creating a strategic alliance with Altius Minerals Corporation (“Altius”), whereby Altius and the Corporation will combine their efforts to jointly explore the gold potential of the extensive James Bay region. The Corporation is the operator.

Exploration work on the property

The compilation and targeting work for the 2017 summer reconnaissance campaign was completed during Q3-17. Several new interesting areas were targeted using Quebec Government data (alterations, veins, sulfides, rock assays, Au in stream sediments), and by the compilation of assessment reports from other companies. Follow-up till sampling and prospection are proposed for the summer field campaign on these.

The 2017 field program started on June 23rd, with a team of 8 persons (6 on the prospection and 2 on the till sampling). With the campaign halfway through, work was completed on 13 of the 26 priority #1 targets to be visited in the campaign, part of the work to be done on 1. 2 priority #2 targets were also visited. Work has not begun yet on the other priority #1 targets (12 of 26). The southernmost priority #1 targets (#33 and #34) will not be visited as they are based on SDBJ reports that were found to be very inaccurate on other targets. A total of 154 rock samples and 8 till samples have been collected (the till team work on the prospection for several days).

All assay results are pending.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

NORTHERN QUEBEC

3.12 Pallas (PGE), operated by Midland

Property description

On March 28, 2017, JOGMEC withdrew from the option agreement signed on January 21, 2014 and abandoned its right to exercise its option to acquire a 50% interest in the Pallas PGE property.

Exploration work on the property

During Q1-17, a diamond drilling program consisting in six (6) holes totalling 1,239 metres was completed. These drill holes tested the Apophis, Ida and Hektor showings at various depths and were completed at the end of October. All the assay results have been received and the best results were obtained from the Hektor and Apophis showings that returned 2.1 g/t PGE+Au over 1.15 metre in hole CE-16-06 and 1.26 g/t PGE+Au over 0.35 metre in hole CE-16-08.

No exploration work conducted during Q3-17.

3.13 Willbob (Au), operated by Midland

Exploration work on the property

A drilling program consisting in eight (8) holes totaling 1,299 metres was completed during Q1-17 with the objective to test the extensions of the Lafrance and Golden Tooth surface showings.

During the helicopter-supported drilling campaign, four (4) shallow drill holes (2 sections of 2 drill holes each) were completed on each of the Lafrance and Golden Tooth showings for a total of eight (8) drill holes totaling 1,299 metres.

Lafrance showing:

- 1.62 g/t Au over 1.0 m (WB-16-01 ; 9.30 to 10.30 m)
- 1.00 g/t Au over 4.6 m incl. 3.3 g/t Au over 1.2 m (WB-16-02; 5.00 to 9.60 m)
- 0.30 g/t Au over 11.2 m incl. 1.6 g/t Au over 0.95 m (WB-16-03; 9.20 to 20.40 m)
- 0.17 g/t Au over 1.5 m (WB-16-04; 16.60 to 18.10 m)

Golden Tooth showing:

- 1.12 g/t Au over 3.65 m incl. 4.98 g/t Au over 0.5 m (WB-16-05; 30.15 to 33.80 m)
- 1.28 g/t Au over 6.35 m incl. 3.81 g/t Au over 0.95 m (WB-16-06; 45.05 to 51.40 m)
- 0.74 g/t Au over 2.65 m incl. 1.15 g/t Au over 0.85 m (WB-16-07; 41.60 to 44.25 m)
- 2.14 g/t Au over 1.5 m (WB-16-08; 70.00 to 71.50 m)

In addition to these gold-bearing intercepts located directly underneath the Lafrance and Golden Tooth surface showings, several new gold-bearing zones were intersected at shallow depth, including these best results:

New zone at Lafrance:

- 0.31 g/t Au over 24.5 m incl. 2.28 g/t Au over 0.8 m (WB-16-02; 65.00 to 89.50 m)

New zones at Golden Tooth:

- 0.71 g/t Au over 2.5 m incl. 2.6 g/t Au over 0.45 m (WB-16-05; 122.50 to 125.00 m)
- 1.88 g/t Au over 0.85 m incl. 1.9 g/t Au sur 0.35 m (WB-16-05 ; 131.85 to 132.70 m)
- 1.40 g/t Au over 2.1 m incl. 3.0 g/t Au over 0.35 m (WB-16-06; 23.95 to 26.05 m)
- 1.84 g/t Au over 3.3 m incl. 3.1 g/t Au over 1.7 m (WB-16-06; 30.50 to 33.80 m)
- 0.35 g/t Au over 1.5 m (WB-16-07 ; 23.50 to 25.00 m)
- 0.96 g/t Au over 1.4 m (WB-16-07; 64.80 to 66.20 m)
- 1.62 g/t Au over 1.25 m (WB-16-07; 74.35 to 75.60 m)
- 1.52 g/t Au over 0.65 m (WB-16-07 ; 163.60 to 164.25 m)
- 0.94 g/t Au over 3.2 m incl. 2.14 g/t Au over 1.1 m (WB-16-08; 103.80 to 107.00 m)

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2017

3. INVESTING ACTIVITIES (CONT'D)

About 600 metres northwest of the Golden Tooth showing, the Golden Tooth North (GTN) occurrence was discovered during the summer 2016 prospecting campaign, with gold values reaching 12.15 g/t Au. The GTN zone has also been traced over more than 300 metres strike length and yielded values up to 13.2 g/t Au, 13.1 g/t Au, 9.5 g/t Au, 8.9 g/t Au and 4.5 g/t Au in grab samples. These grab samples were collected in a diorite unit altered to albite-chlorite and hosting quartz-calcite veining with pyrrhotite-arsenopyrite mineralization. A channel completed this fall on GTN-4 which had historically returned gold values up to 5.5 g/t Au, returned 1.91 g/t Au over 2.0 m, including 3.5 g/t Au over 1.0 m which includes 5.8 g/t Au over 0.5 m.

A new gold-bearing sector called Dragon Head and located about 1.5 kilometre north-west of Golden Tooth North returned values of 14.5 g/t Au, 1.4 g/t Au and 1.1 g/t Au.

In the Kuni area, new polymetallic (Pb-Zn-Ag-Au) mineralization was discovered with grades reaching 5.5% Pb and 3.4% Zn; and 4.8% Pb and 3.2% Zn in grab samples. Another grab sample in this area also yielded a gold value reaching 7.4 g/t Au.

Further south, a new showing, dubbed Stars, yielded Cu-Au-Ag values reaching 1.2% Cu, 2.7 g/t Au and 13.6 g/t Ag in grab sample. This new showing shows some gold-bearing massive sulphides characteristics with mineralization consisting in massive pyrrhotite-pyrite with chalcopyrite. A total of 11 grab samples were collected over an outcropping area of approximately 40 metres by 20 metres.

In an effort to validate a historical channel sample result obtained by Noranda in the 1980s on the Dessureault showing, a channel sample was collected by Midland this fall on the historical channel which had graded 12.0 g/t Au over 3.3 metres. The channel sample (duplicate) collected by Midland graded 6.2 g/t Au over 3.9 metres including 8.9 g/t Au over 2.0 metres (note that true thicknesses cannot be determined at this time with the information available). In addition, several grab samples collected by Midland returned excellent values grading up to 31.8 g/t Au, 22.9 g/t Au, 21.6 g/t Au, 11.2 g/t Au, 10.5 g/t Au, 9.9 g/t Au and 9.5 g/t Au.

During Q3-17, Midland started a prospecting program at the property scale and a 5,000 metres diamond drilling program. Also, a lake bottom sampling program was completed. Up to now, a total of seven (7) drill holes totalling approximately 1,800 metres have been completed. These holes tested the extensions of the Golden Tooth, GTN, Kuurok and Polar Bear surface showings. Over 1,400 samples are currently at the lab for assaying. Final results are expected later during Q4-17

August 10, 2017

(s) Gino Roger

Gino Roger

President and CEO

(s) Ingrid Martin

Ingrid Martin

CFO

Midland Exploration Inc.

Corporate Information

Directors

Jean-Pierre Janson, Chairman of the board ^{1) 2)}
Gino Roger
Germain Carrière ^{1) 2) 3)}
Robert I. Valliant ^{1) 3)}
René Branchaud ³⁾
Paul Archer

Notes:

- 1) *Member of the Audit committee*
- 2) *Member of the Compensation Committee*
- 3) *Member of the Corporate Governance Committee*

Officers

Gino Roger, President and Chief Executive Officer
Mario Masson, Vice-president Exploration
Ingrid Martin, Chief Financial Officer
René Branchaud, Secretary

Head Office

1 Place Ville Marie, Suite 4000
Montreal, Quebec, H3B 4M4

Exploration Office

132 Labelle Blvd, Suite 220
Rosemere, Quebec, J7A 2H1
Tel. : (450) 420-5977
Fax : (450) 420-5978
Email : info@midlandexploration.com
Website : www.midlandexploration.com

Auditors

PricewaterhouseCoopers, L.L.P.
1250 René-Lévesque Boulevard West, Suite 2500
Montreal, Quebec, H3B 4Y1

Legal counsel

Lavery, de Billy, L.L.P.
1 Place Ville Marie, Suite 4000
Montreal, Quebec, H3B 4M4

Transfer Agent

Computershare Investor Services Inc.
1500 Robert-Bourassa street, Suite 700
Montreal, Quebec, H3A 3S8
Tel.: (514) 982-7888