



Midland Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Nine months ended June 30, 2020

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Nine months ended June 30, 2020

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 Q3-20 YTD. This MD&A Highlights should be read in conjunction with the Corporation’s condensed interim financial statements as at June 30, 2020 prepared in accordance with the International Financial Reporting Standards (“IFRS”), as well as with the management discussion and analysis for the year ended September 30, 2019. 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
Q1-19	October 1, 2018 to December 31, 2018
Q2-19	January 1, 2019 to March 31, 2019
Q3-19	April 1, 2019 to June 30, 2019
Q3-19 YTD	October 1, 2018 to June 30, 2019
Q4-19	July 1, 2019 to September 30, 2019
Fiscal 19	October 1, 2018 to September 30, 2019
Q1-20	October 1, 2019 to December 31, 2019
Q2-20	January 1, 2020 to March 31, 2020
Q3-20	April 1, 2020 to June 30, 2020
Q3-20 YTD	October 1, 2019 to June 30, 2020
Q4-20	July 1, 2020 to September 30, 2020
Fiscal 20	October 1, 2019 to September 30, 2020

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

2.1 Working capital

Midland has a working capital of \$12,205,333 as of June 30, 2020 (\$14,017,423 as of September 30, 2019), which will allow the Corporation to execute its exploration program for at least the next three years.

2.2 Private placements

On December 4 and 13, 2019, the Corporation completed private placement of 1,402,030 flow-through shares at \$1.10 per share for total gross proceeds of \$1,542,233.

In connection with the private placements, the Corporation incurred \$111,139 share issue expensed of which \$63,457 was paid as finder’s fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$174,900 under the same terms as other investors.

On December 13, 2019, the Corporation completed a private placement of 73,791 shares at a price of \$0.85 per shares for total gross proceeds of \$62,722. BHP Billiton Canada Inc. (“BHP”) has exercised its right to maintain its ownership to 5.0% by acquiring 73,791 shares. This right had been granted to BHP on April 18, 2019 pursuant to an Investor Rights Agreement with the Corporation.

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2. OVERALL PERFORMANCE (CONT'D)

2.3 Outstanding share data:

	As at August 13, 2020	As at June 30, 2020
	Number	Number
Common shares	70,354,043	70,354,043
Options	4,940,000	4,940,000
Warrants	4,110,667	4,110,667
	79,404,710	79,404,710

2.4 Update on agreements with partners

On February 20, 2020, the Corporation signed a new strategic alliance with SOQUEM Inc. (“SOQUEM”) in the Grenville Province and an agreement to regain 100% interest in the Casault and Jouvex gold projects, previously in joint venture with SOQUEM. In exchange, Midland relinquishes 50% interest in its seven (7) properties grouped under the Gatineau Zinc project located in the Grenville Province, south of the town of Maniwaki, Quebec.

On June 16, 2020, the Corporation signed an option agreement with Wallbridge Mining Company Limited (“Wallbridge”) whereby Wallbridge may earn a 50% interest in the Casault property in consideration of cash payments of \$600,000 and exploration work of \$5,000,000 over 4 years.

On July 9, 2020, the Corporation signed an option agreement with Probe Metals Inc. (“Probe”) whereby Probe may earn a 50% interest in the La Peltrie property in consideration of cash payments of \$400,000 and exploration work of \$3,500,000 over 4 years.

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

2.5 Financial highlights

As operator, Midland incurred exploration expenditures totalling \$2,007,363 (\$5,308,839 in Q3-19 YTD), on its properties of which \$2,926 was recharged to its partners (\$593,918 in Q3-19 YTD). The operating partners incurred \$31,126 exploration expenses in Q3-20 YTD (\$57,193 in Q3-19 YTD). Also, the Corporation invested \$460,852 (\$739,007 in Q3-19 YTD) to complete several property acquisitions or renew its claims in Quebec of which \$7,554 was recharged to its partners (\$8,568 in Q3-19 YTD).

The Corporation reported a loss of \$1,055,565 in Q3-20 YTD compared to \$280,484 for Q3-19 YTD.

Operating expenses decreased to \$1,666,466 (increased to \$1,994,018 in Q3-19 YTD) and the main variances are:

- Impairment of exploration and evaluation assets (non-cash item) decreased to \$192,704 (\$599,117 in Q3-19 YTD) and the explanations can be found in the investing activities section found later in this MD&A.

A \$386,280 (\$1,442,630 in Q3-19 YTD) recovery of deferred income taxes (non-cash item) was recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 2019 private placement (December 2018 in Q3-19 YTD).

For Q3-20, the Corporation recorded a loss of \$92,179 (a net income of \$483,606 for Q3-19).

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2. OVERALL PERFORMANCE (CONT'D)

2.6 Covid update

Following the announcement of the resumption of mining exploration works starting May 11, 2020, the Corporation implemented a protocol to return on the field which includes health prevention measures and communication plan with the communities.

In addition, the Minister of Energy and Natural Resources of Quebec announced the postponement of the requirement to carry out field work to renew a claim, for a period of one year. Finally, the Canadian Government is proposing to protect jobs and safe operations of junior mining exploration and other flow-through share issuers, by extending the timelines for spending the capital they raise via flow-through shares by 12 months.

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3. EXPLORATION ACTIVITIES

Deferred exploration expenses Q3-20 YTD	Balance Sep 30, 2019	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance June 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi Au	94,685	18,714	-	-	-	-	18,714	-	-	-	-	(13,672)	5,042	99,727
Adam	273,436	4,062	-	-	-	-	4,062	1,096	-	(1,485)	-	-	3,673	277,109
Casault Au	2,188,205	88,298	14,420	14,939	1,548	-	119,205	9,398	(2,801)	(6,965)	(58,488)	-	60,349	2,248,554
Gaudet	-	-	85,719	-	-	-	85,719	-	-	-	-	-	85,719	85,719
Heva Au	276,312	710	-	-	-	-	710	-	-	-	-	-	710	277,022
Jouvex Au	623,657	5,568	38,510	251	-	10,202	54,531	1,788	(125)	(1,460)	-	-	54,734	678,391
La Peltrie Au	1,098,627	6,925	-	-	-	-	6,925	-	-	(77)	-	-	6,848	1,105,475
Lac Esther	-	3,302	-	-	-	-	3,302	-	-	-	-	-	3,302	3,302
Laflamme Au	2,808,975	34,352	37,915	184,881	14,408	32,150	303,706	3,087	-	(5,813)	-	-	300,980	3,109,955
Lewis	-	58,034	-	-	-	-	58,034	-	-	-	-	-	58,034	58,034
Mar.Cadillac Au	404,866	2,556	-	203	-	-	2,759	2,530	-	-	-	-	5,289	410,155
Mistaouac	229,698	20,087	4,080	-	-	-	24,167	-	-	-	-	-	24,167	253,865
Patris Au	236,236	3,222	-	-	857	-	4,079	-	-	(242)	-	-	3,837	240,073
Samson	172,346	9,645	113,079	1,109	2,404	18,963	145,200	1,096	-	(36,233)	-	-	110,063	282,409
Turgeon	199,191	648	2,210	-	-	-	2,858	-	-	-	-	-	2,858	202,049
Wawagosic	32,949	-	-	-	-	-	-	-	-	-	-	-	-	32,949
Gatineau Zn	16,070	8,815	12,185	-	-	-	21,000	-	-	(7)	-	-	20,993	37,063
Gatineau JV	-	23,572	-	-	-	-	23,572	-	-	-	-	-	23,572	23,572
Weedon Cu Zn Au	703,918	60,033	-	-	-	-	60,033	-	-	(8,058)	-	-	51,975	755,893
BJ Eleonore Au	1,774,421	4,491	-	-	910	-	5,401	783	-	(1,792)	-	-	4,392	1,778,813
BaieJames Au	441,537	30,381	-	-	-	-	30,381	965	-	(3,252)	-	-	28,094	469,631
Elrond	69,052	15,468	-	-	-	-	15,468	-	-	(3,867)	-	-	11,601	80,653
Fangorn	11,685	4,265	-	-	-	-	4,265	-	-	-	-	-	4,265	15,950
Helms	56,797	13,462	-	-	580	-	14,042	-	-	(5,813)	-	-	8,229	65,026
JVEleonore Au	616,676	-	-	-	-	-	-	1,128	-	-	-	-	1,128	617,804
Komo	-	30,603	-	-	-	-	30,603	-	-	-	-	-	30,603	30,603
Minas Tirith	37,631	4,264	-	-	-	-	4,264	-	-	-	-	-	4,264	41,895
Moria	129,564	4,266	-	-	-	-	4,266	-	-	-	-	-	4,266	133,830
Mythril	4,387,395	179,575	309,548	24,387	248,951	-	762,461	27,418	-	(158,067)	-	-	631,812	5,019,207
Shire	239,620	4,265	-	-	-	-	4,265	-	-	-	-	-	4,265	243,885
Pallas PGE	542,124	-	-	-	-	-	-	-	-	-	-	-	-	542,124
Soissons	53,994	49,021	-	-	-	-	49,021	-	-	(2,945)	-	-	46,076	100,070
Soissons Nmeff	47,710	4,683	-	-	-	-	4,683	-	-	-	-	-	4,683	52,393
Willbob Au	3,104,919	35,395	-	26,535	42,676	-	104,606	4,320	-	(23,840)	-	-	85,086	3,190,005
Generation	38,270	35,061	-	-	-	-	35,061	-	-	(4,456)	-	-	30,605	68,875
TOTAL	20,910,566	763,743	617,666	252,305	312,334	61,315	2,007,363	53,609	(2,926)	(264,372)	(58,488)	(13,672)	1,721,514	22,632,080

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3. EXPLORATION ACTIVITIES (CONT'D)

Deferred exploration expenses Q3-19 YTD	Balance Sep 30, 2018	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance June 30, 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	389,110	5,752	-	-	-	-	5,752	736	-	-	-	-	6,488	395,598
Lafamme Au	2,427,838	62,790	53,012	183,302	3,994	50,136	353,234	4,326	-	(3,316)	-	-	354,244	2,782,082
Patris Au	234,056	3,151	-	-	-	-	3,151	-	-	(213)	-	-	2,938	236,994
Casault Au	1,880,234	46,003	1,955	664,017	130,084	-	842,059	13,363	(390,865)	(164,982)	-	-	299,575	2,179,809
Jouvex Au	412,962	29,104	-	375,224	5,778	-	410,106	3,683	(205,053)	-	-	-	208,736	621,698
Heva Au	271,810	2,550	-	-	-	-	2,550	1,852	-	-	-	-	4,402	276,212
Valmond Au	124,314	1,257	-	-	-	-	1,257	-	-	-	-	-	1,257	125,571
Samson Au	168,110	2,345	-	173	-	-	2,518	-	-	(464)	-	-	2,054	170,164
La Peltrie	1,078,923	4,324	-	12,806	-	-	17,130	2,233	-	(820)	-	-	18,543	1,097,466
Wawagasic	32,949	-	-	-	-	-	-	-	-	-	-	-	-	32,949
Adam	266,663	5,262	-	-	-	-	5,262	1,116	-	(428)	-	-	5,950	272,613
Mistaouac	224,502	5,110	-	-	-	-	5,110	736	-	(642)	-	-	5,204	229,706
Turgeon	196,665	3,284	-	-	-	-	3,284	736	-	(1,426)	-	-	2,594	199,259
Manthet	8,409	-	-	-	-	-	-	-	-	-	-	-	-	8,409
Abitibi Au	84,739	11,306	-	-	-	-	11,306	-	-	(142)	-	-	11,164	95,903
Grenville-Appalaches														
Weedon Cu Zn Au	647,297	14,009	22,550	-	-	8,125	44,684	-	-	-	-	-	44,684	691,981
Gatineau Zn	71,515	100	-	-	-	-	100	-	-	(7)	-	(65,131)	(65,038)	6,477
Bay-James														
James Bay Au	517,666	18,883	86,065	-	216	-	105,164	1,116	-	(927)	-	-	105,353	623,019
Eleonore Au	1,770,210	1,585	-	-	-	-	1,585	380	-	-	-	-	1,965	1,772,175
JV Eleonore Au	583,215	28,109	-	-	-	-	28,109	4,366	-	-	-	-	32,475	615,690
Isengard	36,918	-	-	-	-	-	-	-	-	-	-	(36,918)	(36,918)	-
Minas Tirith	33,711	3,920	-	-	-	-	3,920	-	-	-	-	-	3,920	37,631
Shire	226,595	7,059	-	-	216	-	7,275	2,233	-	(1,426)	-	-	8,082	234,677
Elrond	31,406	5,237	-	-	-	-	5,237	-	-	(464)	-	-	4,773	36,179
Gondor	31,424	-	-	-	-	-	-	-	-	-	-	(31,424)	(31,424)	-
Moria	123,544	7,338	-	-	216	-	7,554	-	-	(1,426)	-	-	6,128	129,672
Helms	18,919	6,002	-	-	-	-	6,002	-	-	-	-	-	6,002	24,921
Mythril	28,215	736,432	507,414	1,771,161	250,440	-	3,265,447	30,944	-	(161,454)	-	-	3,134,937	3,163,152
Fangorn	6,657	5,028	-	-	-	-	5,028	-	-	-	-	-	5,028	11,685
Northern Quebec														
Pallas PGE	540,024	2,100	-	-	-	-	2,100	-	-	-	-	-	2,100	542,124
Willbob Au	2,624,225	67,921	-	43,101	7,000	-	118,022	12,604	-	(13,050)	-	-	117,576	2,741,801
Soissons	47,282	4,482	-	-	6,782	-	11,264	-	-	(4,421)	-	-	6,843	54,125
Soissons NMEF	4,259	21,484	-	-	-	-	21,484	-	-	-	-	-	21,484	25,743
Generation	84,116	12,910	-	-	235	-	13,145	-	-	(1,319)	-	(6,611)	5,215	89,331
TOTAL	15,228,482	1,124,837	670,996	3,049,784	404,961	58,261	5,308,839	80,424	(595,918)	(356,927)	-	(140,084)	4,296,334	19,524,816

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3. EXPLORATION ACTIVITIES (CONT'D)

Exploration and evaluation expenses	Actual Q3-19 YTD			Actual Q3-20 YTD			Budget Fiscal 20 - Revised		
	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total
100% Midland	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi Or	11,306	-	11,306	18,714	-	18,714	25,000	-	25,000
Adam	5,262	-	5,262	4,062	-	4,062	10,000	-	10,000
Casault	451,194	390,865	842,059	119,205	2,801	122,006	160,000	-	160,000
Gaudet	-	-	-	85,719	-	85,719	185,000	-	185,000
Guyberry	-	-	-	-	-	-	5,000	-	5,000
Heva Au	2,550	-	2,550	710	-	710	8,000	-	8,000
Jouvex	205,053	205,053	410,106	54,531	125	54,656	60,000	-	60,000
La Peltrie	17,130	-	17,130	6,925	-	6,925	20,000	-	20,000
Lac Esther	-	-	-	3,302	-	3,302	15,000	-	15,000
Lewis	-	-	-	58,034	-	58,034	135,000	-	135,000
Mistaouac	5,110	-	5,110	24,167	-	24,167	30,000	-	30,000
Patris	3,151	-	3,151	4,079	-	4,079	10,000	-	10,000
Samson	2,518	-	2,518	145,200	-	145,200	580,000	-	580,000
Turgeon	3,284	-	3,284	2,858	-	2,858	10,000	-	10,000
Valmond	1,257	-	1,257	-	-	-	5,000	-	5,000
Wawagotic	-	-	-	-	-	-	5,000	-	5,000
Gatineau Zn	100	-	100	21,000	-	21,000	20,000	-	20,000
Weedon Cu-Zn-Au	44,684	-	44,684	60,033	-	60,033	65,000	-	65,000
BJ Éléonore Au	1,585	-	1,585	5,401	-	5,401	16,000	-	16,000
BJ Or	105,164	-	105,164	30,381	-	30,381	645,000	-	645,000
Elrond	5,237	-	5,237	15,468	-	15,468	15,000	-	15,000
Fangorn	5,028	-	5,028	4,265	-	4,265	5,000	-	5,000
Helms	6,002	-	6,002	14,042	-	14,042	15,000	-	15,000
Komo	-	-	-	30,603	-	30,603	120,000	-	120,000
Minas Tirith	3,920	-	3,920	4,264	-	4,264	5,000	-	5,000
Moria	7,554	-	7,554	4,266	-	4,266	5,000	-	5,000
Mythril	3,265,447	-	3,265,447	762,461	-	762,461	1,070,000	-	1,070,000
Shire	7,275	-	7,275	4,265	-	4,265	5,000	-	5,000
Pallas EGP	2,100	-	2,100	-	-	-	5,000	-	5,000
Soissons	11,264	-	11,264	49,021	-	49,021	50,000	-	50,000
Willbob	118,022	-	118,022	104,606	-	104,606	120,000	-	120,000
Génération de projet	13,145	-	13,145	35,061	-	35,061	75,000	-	75,000
	4,304,342	653,111	5,366,032	1,672,643	2,926	1,672,569	3,499,000	-	3,499,000
Option									
Casault – Wallbridge	-	-	-	-	-	-	-	750 000	750 000
La Peltrie - Probe	-	-	-	-	-	-	-	500 000	500 000
	-	-	-	-	-	-	-	1 250 000	1 250 000
Co-entreprise									
Laflamme Au– Abcourt 22,1%	353,234	-	353,234	303,706	-	303,706	310,000	-	310,000
Maritime-Cadillac AEM 51%	5,752	868	6,620	2,759	2,871	5,630	125,000	125,000	250,000
Gatineau JV – SOQUEM 50%	-	-	-	23,572	23,572	47,144	250,000	250,000	500,000
JV Eleonore Osisko 50%	28,109	28,110	56,219	-	-	-	-	-	-
Soisson NMEF 50%	21,484	28,215	49,699	4,683	4,683	9,366	50,000	50,000	100,000
	408,579	57,193	465,772	334,720	31,126	365,846	735,000	425,000	1,160,000
Grand Total	4,712,921	653,111	5,366,032	2,007,363	34,052	2,041,415	4 234,000	1,675,000	5,909,000

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3. EXPLORATION 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 chief executive officer of Midland, qualified person under NI 43-101, has reviewed the following technical disclosure.

HIGHLIGHTS

- **New Option agreement with Wallbridge for Casault**
- **New Option agreement with Probe for La Peltrie**
- **New JV partnership with Probe for Gaudet-Fenelon**
- **New acquisition – Lewis NW of Nelligan's lamgold-Vanstar project**
- **New acquisition – Noyelles East of Vezza gold mine**
- **New target area identified on Gaudet South of Fenelon-Tabasco, IP commencing**
- **Drilling program on Samson commencing ; 4 ddh 1,000 metres**
- **Drilling program to resume on Maritime-Cadillac**
- **Field programs commencing on Mythril and Komo**

ABITIBI

3.1 Abitibi Gold

Property Description

The Corporation wrote off a project included in Abitibi Gold for \$14,455 during Q1-20.

3.2 Casault (Au)

Property Description

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

- A 1% net smelter return ("NSR") royalty; Midland may, at any time, buy back the royalty, in all or in part, by making a cash payment of \$1,000,000 per tranche of 0.5% NSR; and
- 50% undivided interest in a joint venture relating to seven existing mining properties forming the Gatineau project.

On June 16, 2020, the Corporation signed an option agreement with Wallbridge whereby Wallbridge may earn a 50% interest in the Casault property in consideration of the following:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	100,000	100,000	-	-
On or before June 30, 2021	110,000	-	750,000	-
On or before June 30, 2022	110,000	-	1,000,000	-
On or before June 30, 2023	130,000	-	1,250,000	-
On or before June 30, 2024	150,000	-	2,000,000	-
Total	600,000	100,000	5,000,000	-

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3. EXPLORATION ACTIVITIES (CONT'D)

Wallbridge is the operator.

After exercising this first option to earn a 50% interest, Wallbridge may increase its interest to 65% (the second option) over a period of 2 years in consideration of exploration expenditures or cash payment totalling \$6,000,000.

Exploration work on the property

Because of the COVID-19 and of the new option agreement signed with Wallbridge, the planned 2,400 metres drilling program was cancelled. A technical meeting will be held during September in order to discuss the next drilling program to be conducted by Wallbridge.

3.3 Fleuribleu (Au)

Property Description

The new Fleuribleu property consists in one claim block totalling 94 claims (52 km²). It covers, over a strike length of more than 15 kilometres, the interpreted eastward extension of the Sunday Lake Fault, approximately 40 kilometres east of the new Wallbridge discovery. The Fleuribleu property covers a major contact zone between the Manthet and Brouillan-Fenelon groups, marked by a series of electromagnetic Input anomalies.

3.4 Gaudet (Au)

Property Description

The claim block that forms the Gaudet property totals 71 claims (40 km²) and is located less than 5 kilometres south of the Area 51-Fenelon discovery. This claim block is located south of the Sunday Lake Fault and mainly covers a volcano-sedimentary sequence of the Rivière Turgeon Formation, as well as a 10-kilometre-long segment of the Lower Detour Fault.

On March 18, 2020, the Corporation signed an agreement with Ingrid Martin CPA inc. ("IMCPA") (a company controlled by Ingrid Martin, officer of the Corporation) whereby it acquired a bloc of claims contiguous to the Gaudet property for \$5,000 and the Guyberry property for \$3,000, for a total amount of \$8,000. IMCPA acquired these claims from a third party for that same amount of \$8,000. The Gaudet claims are subject to a 1% NSR royalty relating to a prior third party agreement.

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

Exploration work on the property

During Q3-20, a Drone High Resolution Mag survey was completed on Gaudet to the South of Fenelon. This survey helped to identify a magnetic corridor as well as a series of structures oriented NW-SE similarly to the ones identified at Fenelon/Tabasco owned by Wallbridge.

An induced polarization (IP) survey totaling more than 40 km will be completed during Q4-20. This survey with a line spacing of 100 metres will help to define the next drilling targets.

3.5 Guyberry (Au)

Property Description

See section 3.4 on the property acquisition agreement.

Midland Exploration Inc.

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3. EXPLORATION ACTIVITIES (CONT'D)

3.6 Jeremie (Au)

Property Description

The Jeremie block now totals 55 claims, including 40 new cells, and covers a surface area of approximately 30 square kilometres. It is located approximately 10 kilometres northwest of Wallbridge's new Area 51-Fenelon gold discovery. The Jeremie property covers the northwest contact of the Jeremie Pluton. Last October, Wallbridge reported drill results from its Fenelon property (Tabasco zone), with grades reaching 27.0 g/t Au over 38.39 metres, 20.89 g/t Au over 8.54 metres, and 17.58 g/t Au over 11.04 metres (see press release by Wallbridge dated October 21, 2019).

3.7 Jouvex (Au)

Property Description

See section 3.2 on the property acquisition agreement.

Exploration work on the property

The IP report and the final interpretation have been received. For both grids, we note the presence of chargeability anomalies coupled with low resistivity anomalies. These anomalies remain untested by drilling and represents drilling targets.

3.8 La Peltrie

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

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	50,000	50,000 ¹⁾	-	-
On or before July 31, 2021	55,000	-	500,000	-
On or before July 31, 2022	70,000	-	700,000	-
On or before July 31, 2023	100,000	-	1,200,000	-
On or before July 31, 2024	125,000	-	1,100,000	-
Total	400,000	50,000	3,500,000	-

1) In July 2020, the Corporation received 37,879 shares of Probe based on a 5 days VWAP calculation to total \$50,000.

Probe is the operator.

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

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3. EXPLORATION ACTIVITIES (CONT'D)

3.9 Lac Esther (Au), operated by Midland

Property Description

This claims block consisting in 217 claims (120 sq. km) is located less than 30 kilometres to the north of the municipality of Lebel-sur-Quevillon, in Quebec. This important land position covers a strategic area straddling the southern contact of the syntectonic Waswanipi-South Pluton and the junction between two major regional faults, namely the Casa Berardi and Lamarck regional fault zones. These fault zones host several historical gold showings and deposits located near the Lac Esther property.

On May 11, 2020, the Corporation signed an agreement with Exiro Minerals Corp. whereby it acquired a bloc of claims contiguous to the Lac Esther property for a \$10,000 cash payment, \$35,000 work commitment to be completed before June 2021 and a 2% NSR royalty of which 1% can be bought back for a cash payment of \$1,000,000.

On May 14, 2020, the Corporation signed an agreement with Goldseek Resources Inc. (“Goldseek”) whereby it swapped a bloc of claims of the Adam property with a bloc of claims contiguous to the Lac Esther property. The Corporation received a 2% NSR royalty on Adam bloc of claims and this royalty can be bought back by Goldseek for a cash payment of \$1,000,000 to the Corporation. On the other hand, the Corporation assumes a 2% NSR royalty on the Lac Esther bloc of claims relating to a prior agreement and half of this royalty can be bought back by the Corporation for a cash payment of \$1,000,000. A \$14,328 value was estimated for the blocs of claims exchanged, based on the historical cost incurred on the Adam property.

Exploration work on the property

Compilation of historical works was completed and five (5) new target areas have been selected for a field follow-up to be conducted in the fall of 2020.

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

Property Description

The Corporation impaired partially the property for the claims that were dropped for \$15,978 in Q2-20 YTD.

Exploration work on the property

A drilling program consisting in five (5) holes totalling 1074 metres was completed during Q1-20 on Laflamme. This program was testing IP-Gradient anomalies identified during the July survey which covered the diorite intrusion hosting the Longshot showing discovered in 2019.

Assay results for the drilling program were received. Even though the IP anomalies were clearly explained by the presence of sulphides, no significant value was obtained. The best result returned 1.27 g/t Au over 0.30 metre (92.30 to 92.60 m) in hole LAF-20-50.

3.11 Lewis (Au), operated by Midland

Exploration work on the property

During Q3-20, a three weeks field campaign, including prospecting was completed over the entire Lewis property. The main highlight of this program is the discovery of a new gold-bearing showing located about 10 km to the northeast of the former Lac Shortt mine.

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3. EXPLORATION ACTIVITIES (CONT'D)

This new showing returned values ranging from 0.2 g/t Au to 2.1 g/t Au in grab samples. This new gold-bearing anomalous area extends over 400 metres laterally and has never been drilled. Additional work consisting in mechanical stripping and channel sampling is planned for Q4-20.

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

Exploration work on the property

A drilling program is in preparation for Q2-20 on the Maritime-Cadillac JV project. This program will consist in three (3) holes totalling a minimum of 1600 metres and will test the extension at depth of the Dyke East Zone as well as the Maritime Contact in the southern portion of the property. This drilling program has been delayed until August because of the COVID-19.

3.13 Mistaouac (Au), operated by Midland

Property Description

The Mistaouac property consists in 213 claims (116 km²) and is located less than 5 kilometres to the northeast of the Estrades Zn-Cu-Au deposit to the east of Casa Berardi.

Exploration work on the property

Compilation work was completed with the objective to make the selection of the best VTEM anomalies from the 2018 survey. Two (2) areas were selected for a ground TDEM follow-up during the winter of 2021.

3.14 Noyelles (Au), operated by Midland

Exploration work on the property

A compilation of historical works is in progress and a field program is possible for the fall of 2020.

3.15 Samson Ni-Cu-PGE, operated by Midland

Property Description

The Corporation impaired partially the property for the claims that were dropped for \$5,521 in Q2-20 YTD.

Exploration work on the property

Two (2) IP Multi-Separation grids totalling 15.5 kilometres were completed on Samson during Q1-20. The results of the IP survey on the North grid show two subparallel axes with weak chargeability highs, as well as an area some 400 metres in diameter, where chargeability values are markedly higher, located directly in the nose of the folded magnetic structure. These encouraging IP results highlight an area already considered favourable from a structural standpoint as a result of the high-resolution magnetic survey interpretation, which identified this area as a possible drag fold located along a subsidiary structure to the south of the regional Lower Detour Fault.

A drilling program consisting in 4 holes totalling 1,000 metres is ongoing. This program will test IP anomalies located near the nose a folded structure identified on the magnetic survey.

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3. EXPLORATION ACTIVITIES (CONT'D)

GRENVILLE-APPALACHES

3.16 Gatineau (Zn)

Property Description

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

- A 1% NSR royalty; Midland may, at any time, buy back the royalty, in all or in part, by making a cash payment of \$1,000,000 per tranche of 0.5% NSR; and
- 50% undivided interest in a joint venture relating to seven existing mining properties forming the Gatineau project.

As part of this new strategic alliance:

- The projects acquired under the target generation program will be declared designated projects once the mining rights have been acquired.
- Each designated project will be the object of a distinct joint venture agreement, the terms of which will be similar to the joint venture agreements to be signed relating to the active properties.
- The parties are not subject to budgetary obligations under the target generation program.
- The target generation program will last for a period of 2 years, unless it is extended by mutual written consent of both parties.
- SOQUEM will be project manager under the target generation program and for all joint ventures formed on designated projects; the Corporation may assign up to 30% of personnel.

Exploration work on the property

A compilation of historical works is currently in progress for a possible field follow-up during the fall of 2020.

3.17 Weedon (Cu-Zn-Au), operated by Midland

Exploration work on the property

A till sampling survey was completed to the east of the Lingwick deposit during Q1-20. The area explored returned interesting values in gold, copper and zinc. The lack of high-quality information (geology, geochemistry, geophysics) do not help to define a precise target. However, the strong presence of quartz fragments and the gold value of 136 ppb Au in concentrate, could lead towards an IP anomaly in the vicinity of the Lingwick deposit. It is recommended to make a follow-up of these anomalies with a drilling program using a tight spacing.

3.18 Vermillon (Cu-Au), in partnership with SOQUEM and operated by SOQUEM

Property Description

The Vermillon property is located some 90 km southwest of the town of La Tuque, Quebec and consists as at September 30, 2019 of 16 contiguous claims covering a total surface area of 934 hectares in joint venture 53.4% SOQUEM/ 46.6% Midland. On February 6, 2020, the parties jointly decided not renew the claims due to the property's weak economic potential. The property costs were written off already in the fiscal year ended September 30, 2010.

Midland Exploration Inc.

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3. EXPLORATION ACTIVITIES (CONT'D)

JAMES BAY

3.19 Komo (Au), operated by Midland

Property Description

The Corporation acquired by map designation the Komo project with strong gold potential totalling 383 claims (199 km²), located near the recent Patwon gold discovery made by Azimut Exploration Inc. (“Azimut”) on its Elmer project (Eeyou Istchee James Bay, Quebec). The western part of the project lies approximately 7 kilometres south of the Azimut discovery.

The Komo project covers, over nearly 40 kilometres, the same volcanic belt that hosts the Patwon discovery. Azimut recently announced several significant gold-bearing drill intercepts on Patwon, namely 3.15 g/t Au over 102.0 metres, including 10.1 g/t Au over 20.5 metres (press release by Azimut dated January 14, 2020).

The Komo project also covers, over approximately 30 kilometres, the highly prospective contact between the La Grande and Opinaca/Nemiscau geological subprovinces. This contact hosts most of the known gold deposits in the James Bay region, namely the Eleonore mine (Newmont) and the La Pointe and Cheechoo deposits. The portion of the project located nearest the Patwon discovery shows a structural setting highly favourable for gold, with a folded gabbro unit located in the pressure shadow of a large-scale intrusion. A historical molybdenum-copper occurrence on the project also indicates potential for porphyry-type mineralization on Komo.

Exploration work on the property

A detailed compilation of historical works is currently ongoing. A field program 2020 will be put in place for this summer following the completion of this compilation work.

3.20 Mythril and Mythril Regional (Cu-Au-Mo-Ag), operated by Midland

Property Description

The Corporation impaired partially the property for the claims that were dropped for \$150,690 in Q2-20 YTD.

Exploration work on the property

During the 2020 winter, induced polarization (IP) surveys were conducted on Mythril (main block) as well as on three other regional grids. However, because of the COVID-19, those three regional surveys could not be totally completed. Results for the IP surveys on Mythril led to the identification of weak chargeability anomalies in the most eastern part of the survey near the conglomerates. These anomalies will be followed-up during the Q4-20 field program.

On the grid covering the Boromir boulder field, few IP lines only were completed before the COVID-19 outbreak. The last surveyed line to the south identified a possible deep and weak anomaly closely associated with the NW-SE structure. This area will be visited during the prospecting program in Q4-20.

A 3D-Model of the Mythril mineralized zone was completed in Leapfrog in Q3-20 and some drilling target areas with potential for high grade copper were identified.

Midland Exploration Inc.

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3. EXPLORATION ACTIVITIES (CONT'D)

NORTHERN QUEBEC

3.21 Pallas (PGE), operated by Midland

Property Description

The Corporation impaired partially the property for the claims that were dropped for \$6,060 in Q2-20 YTD.

4. NEW ACCOUNTING STANDARDS

4.1 IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees: leases of “low-value” assets; and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 also requires more extensive disclosures than under IAS 17.

Transition to IFRS 16

IFRS 16 is effective for the Corporation’s annual period beginning on October 1, 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard’s transition provisions permit certain reliefs. The Corporation adopted IFRS 16 using the modified retrospective approach, which means it applied the standard from October 1, 2019, the cumulative impact of adoption is recognized as at October 1, 2019 and comparatives are not restated. Since the Corporation will recognize the right-of-use assets at the amount equal to the lease liabilities less any lease accruals, there is no impact on the deficit upon the adoption.

The Corporation has presently only one lease affected by IFRS 16 for its exploration offices. In February 2016, the Corporation extended the lease for five years, from March 2017 to February 2022. The rent is \$31,432 for the first year and thereafter will be indexed annually at the highest of the increase of the consumer price index or 2.5%. The Corporation has the option to renew the lease for an additional 3 year period under the same conditions.

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4. NEW ACCOUNTING STANDARDS (CONT'D)

A right-of-use asset of \$159,422 and an equivalent long term lease liability (with the short term portion being \$32,452) was recorded as of October 1, 2019, with a 7% incremental borrowing rate and considering that the renewal option would be exercised.

August 13, 2020

(s) Gino Roger

Gino Roger
President and CEO

(s) Ingrid Martin

Ingrid Martin
CFO

Midland Exploration Inc.

Corporate Information

Directors

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

Notes:

- 1) *Member of the Audit committee*
- 2) *Member of the Human Resources and Governance Committee*
- 3) *Member of the Technical Committee*

Officers

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