



# **Midland Exploration Inc.**

Management's Discussion and Analysis

For the year ended September 30, 2020

# Midland Exploration Inc.

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**Management Discussion & Analysis**  
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The following discussion and analysis (the “MD&A”) 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 the year ended September 30, 2020. This MD&A should be read in conjunction with the Corporation’s audited financial statements as at September 30, 2020 (the “Financial Statements”) prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). 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 obtained from [www.sedar.com](http://www.sedar.com).

<b>Abbreviation</b>	<b>Period</b>
Fiscal 18	October 1, 2017 to September 30, 2018
Q1-19	October 1, 2018 to December 31, 2018
Q2-19	January 1, 2019 to March 31, 2019
Q3-19	April 30, 2019 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 30, 2020 to June 30, 2020
Q4-20	July 1, 2020 to September 30, 2020
Fiscal 20	October 1, 2019 to September 30, 2020
Fiscal 21	October 1, 2020 to September 30, 2021

## **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 Highlights of exploration work in Fiscal 20**

- New gold discovery on Samson; Golden Delilah zone
- New strategic alliance with BHP for Ni in Nunavik
- New option agreement with Wallbridge for Casault
- New option agreement with Probe for La Peltrie
- New JV agreement with Probe for Gaudet-Fenelon
- New partnership (JV) with Soquem for Gatineau Zn
- A total of 5,451 metres (19 holes) were drilled during Fiscal 20 (16 195 metres during Fiscal 19).

More details can be found in section 4.

### **2.2 Working capital**

Midland has a working capital of \$10,973,875 as of September 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.

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**2. OVERALL PERFORMANCE (CONT'D)**

**2.3 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 expenses 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 share 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.

On November 5, 2020, the Corporation completed private placement of 1,827,800 flow-through shares at \$1.25 per share for total gross proceeds of \$2,284,750. In connection with the private placements, the Corporation incurred \$101,265 of finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$160,000 under the same terms as other investors.

On November 9, 2020, the Corporation completed a private placement of 96,209 shares at a price of \$1.00 per share for total gross proceeds of \$96,209. BHP has exercised its right to maintain its ownership to 5.0% by acquiring 96,209 shares. This right had been granted to BHP on April 18, 2019 pursuant to an Investor Rights Agreement with the Corporation.

**2.4 Outstanding share data:**

	As at December 3, 2020	As at September 30, 2020
	Number	Number
Common shares	72,278,052	70,354,043
Options	4,940,000	4,940,000
Warrants	666,667	4,110,667
	<b>77,884,719</b>	<b>79,404,710</b>

**2.5 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. OVERALL PERFORMANCE (CONT'D)**

### **2.5.1 BHP Alliance**

On August 20, 2020, the Corporation signed an agreement with Rio Algom Limited, a wholly-owned subsidiary of BHP Group plc ("BHP"), for a new strategic alliance ("Alliance") for the initial funding by BHP of a generative exploration phase and opportunities for joint contributions to advance nickel exploration within the Nunavik territory, Quebec.

#### *Generative Phase (I)*

During the first phase of the Alliance, BHP will fund at 100% up to \$1,400,000 on an annual basis for a minimum of two years. The Corporation is acting as operator and the main objective is to generate, identify and secure exploration projects to be advanced to a drill-ready stage through further exploration work. BHP may propose additional exploration work for up to 700,000 before advancing an identified project to the second phase.

Following the first phase, one or more specific exploration targets may be advanced to a second phase to be further developed as a separate designated project.

#### *Testing Phase (II)*

During this second phase, each designated project will have its own work program and budget with the objective, mainly through drilling, to test and further develop the identified targets. The Corporation will act as operator during the testing phase subject to BHP's right to become the operator of any designated project.

For each designated project, the testing phase will last up to four years, with a total budget of up to \$4,000,000 with a minimum of \$700,000 to be spent during the first year. During this phase, BHP and the Corporation will fund 75% and 25%, respectively, for approved work programs.

In addition, for each designated project, BHP will pay to the Corporation a designated project fee, structured as follows: \$250,000 on or before the first anniversary, \$250,000 on or before the second anniversary and \$500,000 on or before the third anniversary, of the testing phase, for a maximum of \$1,000,000 per designated project.

BHP has the right to cease contributing its share of the funding of a designated project in which case the Corporation would have the right to retain a 100% interest of the designated project and BHP would receive a 1% NSR royalty. The Corporation would have a right to buy-back such royalty for a one-time cash payment of \$1,500,000. Total royalty payments would be capped at \$3,000,000 per designated project.

BHP may decide to advance any designated project to the third phase as a joint venture project ("JV Project").

#### *Joint Venture Phase (III)*

For this third phase, a formal joint venture would be formed with initial participating interests being 70% BHP and 30% the Corporation. Both parties would contribute to the expenses pro-rata to their participating interests. BHP would be the operator for all JV Projects.

For each JV Project, BHP will pay to the Corporation a joint venture success fee of \$200,000 after the formation of the joint venture including transfer of tenements, data ownership and any other assets related to the JV Project to, or for the benefit of, the joint venture.

If a party's participating interest in the joint venture is diluted below 10%, such interest would be converted into a 1.5% NSR royalty on the JV Project. The non-diluted party would have a right to buy-back such royalty for a one-time cash payment of \$2,500,000. Total royalty payments would be capped at \$5,000,000 per JV Project.

## **2. OVERALL PERFORMANCE (CONT'D)**

### **2.6 Covid update**

In keeping with the health and safety guidelines, Midland, like most businesses, transitioned itself starting in March 2020 with its staff working remotely from home remaining operational. 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.

### **2.7 Initiatives in sustainable development, certification, health and safety**

#### *Sustainable Development Policy*

The Corporation has implemented a Sustainable Development Policy to create long-term value in mineral exploration, mineral resource extraction and metal production. The Corporation works in collaboration with all stakeholders to ensure that the principles of governance, health and safety, environment, human rights, community, and transparency are respected and exemplary in all our activities.

#### *UL Certification*

For the past year, the Corporation has been in the accreditation process to obtain the new Ecologo certification for mineral exploration. This certification helps to promote the application of best environmental, social, and economic practices in the mining exploration industry. All employees are continually working to review and improve exploration practices. A crucial step in the process has just been achieved with the writing of the policies and procedures manual since it specifies the guidelines and the compliance procedures to be followed.

#### *Health and safety at work:*

During Q4-20, the Corporation put in place an Emergency Measures Plan, a Prevention Program and a Field Guide in terms of environment and safety within the framework of asset protection and risks management. The Corporation has mandated an external specialize firm named Urgence industrielle Dan Ouellet Inc. so that the development of the various documents be drafted in standards based on several laws and regulations. In order to put in place the various documents, a vulnerability study, with the aim of identifying the specific risks of the Corporation's activities, was carried out in accordance with the industry emergency planning standard, the law on civil security (Law 173) and the ISO 4001 approach. In addition, a new emergency telephone line has been installed and field procedures have been put in place for all possible contingencies. These new documents ensure that the health and safety of all employees, contractors and communities are not compromised by Midland's operations.

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**3. RESULTS OF OPERATIONS**

As operator, Midland incurred exploration expenditures totalling \$3,746,951 (\$8,251,795 in Fiscal 19), on its properties of which \$290,687 was recharged to its partners (\$604,753 in Fiscal 19). The operating partners incurred \$412,253 of exploration expenses (\$95,142 in Fiscal 19). Also, the Corporation invested \$487,767 (\$768,003 in Fiscal 19) to complete several property acquisitions in Quebec or maintained them, of which \$7,554 was recharged to its partners (\$11,148 in Fiscal 19).

The Corporation reported a loss of \$1,345,977 in Fiscal 20 compared to \$1,142,784 for Fiscal 19.

Operating expenses increased at \$2,138,540 for Fiscal 20 compared to \$2,978,895 in Fiscal 19, and following are the explanations for the main variances:

- Salaries increased to \$798,892 (\$620,863 in Fiscal 19). Less salaries were capitalised as exploration expenses considering the corporate activities amongst other things caused by the Covid.
- Conference and mining industry involvement \$228,353 (\$265,555 in Fiscal 19). Several conferences were cancelled following the Covid.
- Professional fees increased to \$340,509 (\$231,785 in Fiscal 19). Legal fees increased by \$79,331 following the negotiations of several partnership agreements. Also, a mandate was given to an external firm to develop rules and procedures in health and safety in Fiscal 20. Finally, during Fiscal 20 the Compensation and Governance Committee hired Perrault Consulting to analyse the management and the directors' compensation, compare it to market and provide recommendations.
- Impairment of exploration and evaluation assets (non-cash item) decreased to \$194,603 (\$1,261,081 in Fiscal 19) and the explanations can be found in the exploration activities in section 4.

A \$435,903 (\$1,554,552 in Fiscal 19) 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 following the December 2019 private placement (December 2018 in Fiscal 19). All exploration work imposed by the December 2019 flow-through financing was completed before September 30, 2020. Also, all the exploration work imposed by the December 2018 flow-through financings was completed before September 30, 2019. In addition, a \$113,124 in Fiscal 19 deferred income taxes was recorded (non in Fiscal 20); a deferred tax asset relating to share issue expense recorded in equity was offset by the deferred tax liability on mining properties and exploration expenses.

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**4. EXPLORATION ACTIVITIES**

Deferred exploration expenses Fiscal 20	Balance Sep 30, 2019	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance Sept. 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Abitibi</b>													
Abitibi Gold	9,945	5,626	-	-	-	<b>5,626</b>	-	-	-	-	(15,571)	<b>(9,945)</b>	-
Adam	273,436	4,062	-	-	-	<b>4,062</b>	1,510	-	(1,485)	-	-	<b>4,087</b>	<b>277,523</b>
Casault Au	2,188,205	109,454	14,420	19,611	1,976	<b>145,461</b>	11,780	(2,801)	(13,706)	(58,488)	-	<b>82,246</b>	<b>2,270,451</b>
Coigny	-	1,778	-	-	-	<b>1,778</b>	-	-	(712)	-	-	<b>1,066</b>	<b>1,066</b>
Gaudet	-	70	243,777	-	21,571	<b>265,418</b>	-	(67,570)	(45,325)	-	-	<b>152,523</b>	<b>152,523</b>
Guyberry	-	1,238	-	-	-	<b>1,238</b>	-	-	-	-	-	<b>1,238</b>	<b>1,238</b>
Heva Au	276,312	710	-	-	-	<b>710</b>	-	-	-	-	-	<b>710</b>	<b>277,022</b>
Jeremie	84,740	8,135	-	-	-	<b>8,135</b>	-	-	-	-	-	<b>8,135</b>	<b>92,875</b>
Jouvex Au	623,657	5,568	48,712	251	-	<b>54,531</b>	1,887	(125)	(1,460)	-	-	<b>54,833</b>	<b>678,490</b>
La Peltrie Au	1,098,627	7,060	-	589	-	<b>7,649</b>	-	-	(351)	-	-	<b>7,298</b>	<b>1,105,925</b>
Lac Esther	-	7,260	-	-	-	<b>7,260</b>	-	-	(1,589)	-	-	<b>5,671</b>	<b>5,671</b>
Laflamme Au	2,808,975	34,352	70,065	185,851	14,409	<b>304,677</b>	3,718	-	(6,197)	-	-	<b>302,198</b>	<b>3,111,173</b>
Lewis	-	78,493	-	-	7,148	<b>85,641</b>	-	-	(11,181)	-	-	<b>74,460</b>	<b>74,460</b>
Mar.Cadillac Au	404,866	7,260	-	65,421	-	<b>72,681</b>	3,486	-	-	-	-	<b>76,167</b>	<b>481,033</b>
Mistaouac	229,698	20,087	4,080	-	-	<b>24,167</b>	-	-	-	-	-	<b>24,167</b>	<b>253,865</b>
Noyelles	-	5,302	-	-	-	<b>5,302</b>	-	-	(2,137)	-	-	<b>3,165</b>	<b>3,165</b>
Patris Au	236,236	3,222	-	716	1,285	<b>5,223</b>	-	-	(242)	-	-	<b>4,981</b>	<b>241,217</b>
Samson	172,346	38,080	132,042	818,695	33,678	<b>1,022,495</b>	1,510	-	(391,104)	-	-	<b>632,901</b>	<b>805,247</b>
Turgeon	199,191	649	2,210	-	-	<b>2,859</b>	-	-	-	-	-	<b>2,859</b>	<b>202,050</b>
Wawagosic	32,949	-	-	-	-	<b>-</b>	-	-	-	-	-	<b>-</b>	<b>32,949</b>
<b>Grenville</b>													
Gatineau Zn	16,070	8,816	12,185	-	-	<b>21,001</b>	-	-	(7)	-	-	<b>20,994</b>	<b>37,064</b>
Gatineau JV	-	41,948	-	1,203	-	<b>43,151</b>	-	-	-	-	-	<b>43,151</b>	<b>43,151</b>
Weedon Cu Zn Au	703,918	60,033	-	-	-	<b>60,033</b>	-	-	(8,058)	-	-	<b>51,975</b>	<b>755,893</b>
<b>James Bay</b>													
BJ Eleonore Au	1,774,421	5,054	-	-	910	<b>5,964</b>	1,079	-	(2,011)	-	-	<b>5,032</b>	<b>1,779,453</b>
BJ Gold	441,537	35,142	935	2,100	-	<b>38,177</b>	1,330	-	(6,431)	-	-	<b>33,076</b>	<b>474,613</b>
Elrond	69,052	15,468	-	-	-	<b>15,468</b>	-	-	(3,867)	-	-	<b>11,601</b>	<b>80,653</b>
Fangorn	11,685	4,265	-	-	-	<b>4,265</b>	-	-	-	-	-	<b>4,265</b>	<b>15,950</b>
Helms	56,797	13,462	-	-	580	<b>14,042</b>	-	-	(5,813)	-	-	<b>8,229</b>	<b>65,026</b>
JV Eleonore Au	616,676	-	-	-	-	<b>-</b>	1,189	-	-	-	-	<b>1,189</b>	<b>617,865</b>
Komo	-	68,077	-	-	-	<b>68,077</b>	-	-	(15,127)	-	-	<b>52,950</b>	<b>52,950</b>
McDuff	4,778	47,568	-	-	4,991	<b>52,559</b>	-	-	(23,199)	-	-	<b>29,360</b>	<b>34,138</b>
Minas Tirith	37,631	4,264	-	-	-	<b>4,264</b>	-	-	-	-	-	<b>4,264</b>	<b>41,895</b>
Moria	129,564	4,266	-	-	-	<b>4,266</b>	-	-	-	-	-	<b>4,266</b>	<b>133,830</b>
Mythril	4,382,617	254,507	309,548	31,781	316,168	<b>912,004</b>	32,912	-	(216,585)	-	-	<b>728,331</b>	<b>5,110,948</b>



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**4. EXPLORATION ACTIVITIES (CON'T)**

Deferred exploration expenses Fiscal 20	Balance Sep 30, 2019	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance Sept. 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Shire	239,620	4,265	-	-	-	4,265	-	-	-	-	-	4,265	243,885
Wookie	780	25,752	-	-	-	25,752	-	-	(4,330)	-	-	21,422	22,202
<b>North</b>													
BHP Ni	-	217,911	-	-	-	217,911	-	(217,911)	-	-	-	-	-
Nachicapau	14,258	1,520	-	-	-	1,520	-	-	-	-	-	1,520	15,778
Pallas PGE	542,124	-	-	-	-	-	-	-	-	-	-	-	542,124
Soissons	53,994	60,246	-	-	-	60,246	-	-	(7,494)	-	-	52,752	106,746
Soissons Nmef	47,710	35,150	-	-	-	35,150	-	(2,280)	(11,400)	-	-	21,470	69,180
Willbob Au	3,104,919	36,649	-	35,085	43,647	115,381	4,554	-	(28,170)	-	-	91,765	3,196,684
<b>Generation</b>	23,232	18,542	-	-	-	18,542	-	-	(4,456)	-	-	14,086	37,318
<b>TOTAL</b>	<b>20,910,566</b>	<b>1,301,311</b>	<b>837,974</b>	<b>1,161,303</b>	<b>446,363</b>	<b>3,746,951</b>	<b>64,955</b>	<b>(290,687)</b>	<b>(812,437)</b>	<b>(58,488)</b>	<b>(15,571)</b>	<b>2,634,723</b>	<b>23,545,289</b>

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**4. EXPLORATION ACTIVITIES (CON'T)**

<b>Deferred exploration expenses Fiscal 19</b>	<b>Balance beginning</b>	<b>Geology</b>	<b>Geophysics</b>	<b>Drilling</b>	<b>Geochestry</b>	<b>Line cutting</b>	<b>Sub total</b>	<b>Stock-based compensation</b>	<b>Recharge</b>	<b>Tax credits</b>	<b>Write-off</b>	<b>Net change</b>	<b>Balance end Fiscal 19</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Maritime Cadillac	389,110	14,981	-	-	-	-	14,981	775	-	-	-	15,756	404,866
Laflamme Au	2,427,838	74,486	81,507	184,052	3,994	52,076	396,115	5,661	-	(20,639)	-	381,137	2,808,975
Patris Au	234,056	4,225	-	-	-	-	4,225	-	-	(2,045)	-	2,180	236,236
Casault Au	1,880,234	58,297	15,950	666,642	131,011	6,851	878,751	16,491	(398,787)	(188,484)	-	307,971	2,188,205
Jouvex Au	412,962	30,680	-	375,474	5,778	-	411,932	5,075	(205,966)	(346)	-	210,695	623,657
Heva Au	271,810	2,550	-	-	-	-	2,550	1,952	-	-	-	4,502	276,312
Valmond	124,314	1,257	-	-	-	-	1,257	-	-	-	(125,571)	(124,314)	-
Samson	168,110	6,061	-	173	-	-	6,234	-	-	(1,998)	-	4,236	172,346
La Peltrie	1,078,923	6,118	-	12,806	-	-	18,924	2,354	-	(1,574)	-	19,704	1,098,627
Wawagasic	32,949	-	-	-	-	-	-	-	-	-	-	-	32,949
Adam	266,663	6,519	-	-	-	-	6,519	1,175	-	(921)	-	6,773	273,436
Mistaouac	224,502	5,110	-	-	-	-	5,110	776	-	(690)	-	5,196	229,698
Turgeon	196,665	3,284	-	-	-	-	3,284	776	-	(1,534)	-	2,526	199,191
Manthet	8,409	-	-	-	-	-	-	-	-	-	(8,409)	(8,409)	-
Abitibi Gold	84,739	11,306	-	-	-	-	11,306	-	-	(1,360)	-	9,946	94,685
Weedon Cu Zn Au	647,297	25,946	22,550	-	-	8,125	56,621	-	-	-	-	56,621	703,918
Gatineau Zn	71,515	1,257	8,500	-	-	-	9,757	-	-	(71)	(65,131)	(55,445)	16,070
BJ Gold Au	517,666	23,949	86,065	-	1,788	-	111,802	1,176	-	(3,650)	(185,457)	(76,129)	441,537
BJ Eleonore Au	1,770,210	5,195	-	-	-	-	5,195	400	-	(1,384)	-	4,211	1,774,421
JV Eleonore AU	583,215	28,109	-	-	-	-	28,109	5,352	-	-	-	33,461	616,676
Isengard	36,918	-	-	-	-	-	-	-	-	-	(36,918)	(36,918)	-
Minas Tirith	33,711	3,920	-	-	-	-	3,920	-	-	-	-	3,920	37,631
Shire	226,595	15,219	-	-	216	-	15,435	2,354	-	(4,764)	-	13,025	239,620
Elrond	31,406	59,832	-	-	-	-	59,832	-	-	(22,186)	-	37,646	69,052
Gondor	31,424	-	-	-	-	-	-	-	-	-	(31,424)	(31,424)	-
Moria	123,544	7,338	-	-	216	-	7,554	-	-	(1,534)	-	6,020	129,564
Helms	18,919	55,009	-	-	3,980	-	58,989	-	-	(21,111)	-	37,878	56,797
Mythril	28,215	1,228,112	527,954	2,998,126	536,521	-	5,290,713	42,639	-	(978,950)	-	4,354,402	4,382,617
Fangorn	6,657	5,028	-	-	-	-	5,028	-	-	-	-	5,028	11,685
Pallas PGE	540,024	2,100	-	-	-	-	2,100	-	-	-	-	2,100	542,124
Willbob Au	2,624,225	235,634	-	453,690	27,109	-	716,433	16,284	-	(252,023)	-	480,694	3,104,919
Soissons	47,282	4,799	-	-	6,782	-	11,581	-	-	(4,869)	-	6,712	53,994
Soissons NMEF	4,259	57,871	-	-	-	-	57,871	-	-	(14,420)	-	43,451	47,710
Generation	84,116	47,482	-	-	2,185	-	49,667	-	-	(15,954)	(74,781)	(41,068)	43,048
<b>TOTAL</b>	<b>15,228,482</b>	<b>2,031,674</b>	<b>742,526</b>	<b>4,690,963</b>	<b>719,580</b>	<b>67,052</b>	<b>8,251,795</b>	<b>103,240</b>	<b>(604,753)</b>	<b>(1,540,507)</b>	<b>(527,691)</b>	<b>5,682,084</b>	<b>20,910,566</b>

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**4. EXPLORATION ACTIVITIES (CON'T)**

Exploration and evaluation expenses	Actual Fiscal 19			Actual Fiscal 20			Budget Fiscal 20 – modified			Budget Fiscal 21		
	Properties	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>100 % Midland</b>												
Abitibi Gold	11,306	-	11,306	13,761	-	13,761	25,000	-	25,000	10,000	-	10,000
Adam	6,519	-	6,519	4,062	-	4,062	10,000	-	10,000	150,000	-	150,000
Casault	479,964	398,787	878,751	142,660	2,801	145,461	160,000	-	160,000	-	-	-
Coigny	-	-	-	1,778	-	1,778	-	-	-	5,000	-	5,000
Fleuribleu	-	-	-	-	-	-	-	-	-	5,000	-	5,000
Gaudet	-	-	-	156,857	67,570	224,427	185,000	-	185,000	-	-	-
Guyberry	-	-	-	1,238	-	1,238	5,000	-	5,000	40,000	-	40,000
Heva Au	2,550	-	2,550	710	-	710	8,000	-	8,000	5,000	-	5,000
Jeremie	-	-	-	-	-	-	-	-	-	10,000	-	10,000
Jouvex	205,966	205,966	411,932	54,406	125	54,531	60,000	-	60,000	20,000	-	20,000
La Peltrie	18,924	-	18,924	7,649	-	7,649	20,000	-	20,000	-	-	-
Lac Esther	-	-	-	7,260	-	7,260	15,000	-	15,000	40,000	-	40,000
Lewis	-	-	-	85,641	-	85,641	135,000	-	135,000	40,000	-	40,000
Mistaouac	5,110	-	5,110	24,167	-	24,167	30,000	-	30,000	100,000	-	100,000
Noyelles	-	-	-	5,302	-	5,302	-	-	-	5,000	-	5,000
Patris	4,225	-	4,225	5,223	-	5,223	10,000	-	10,000	100,000	-	100,000
Samson	6,234	-	6,234	1,022,495	-	1,022,495	580,000	-	580,000	75,000	-	75,000
Turgeon	3,284	-	3,284	2,859	-	2,859	10,000	-	10,000	50,000	-	50,000
Valmond	1,257	-	1,257	-	-	-	5,000	-	5,000	5,000	-	5,000
Wawagasic	-	-	-	-	-	-	5,000	-	5,000	-	-	-
Gatineau Zn	9,757	-	9,757	21,001	-	21,001	20,000	-	20,000	-	-	-
Weedon Cu-Zn-Au	56,621	-	56,621	60,033	-	60,033	65,000	-	65,000	150,000	-	150,000
BJ Éléonore Au	5,195	-	5,195	5,964	-	5,964	16,000	-	16,000	80,000	-	80,000
BJ Gold	111,802	-	111,802	38,177	-	38,177	645,000	-	645,000	90,000	-	90,000
Elrond	59,832	-	59,832	15,468	-	15,468	15,000	-	15,000	100,000	-	100,000
Fangorn	5,028	-	5,028	4,265	-	4,265	5,000	-	5,000	5,000	-	5,000
Helms	58,989	-	58,989	14,042	-	14,042	15,000	-	15,000	5,000	-	5,000
Komo	-	-	-	68,077	-	68,077	120,000	-	120,000	15,000	-	15,000
Minas Tirith	3,920	-	3,920	4,264	-	4,264	5,000	-	5,000	5,000	-	5,000
Moria	7,554	-	7,554	4,266	-	4,266	5,000	-	5,000	5,000	-	5,000
Mythril	5,296,529	-	5,296,529	964,563	-	964,563	1,070,000	-	1,070,000	690,000	-	690,000
Shire	15,435	-	15,435	4,265	-	4,265	5,000	-	5,000	5,000	-	5,000
Wookie	-	-	-	25,752	-	25,752	-	-	-	5,000	-	5,000
Nachicapau	-	-	-	1,520	-	1,520	-	-	-	5,000	-	5,000
Pallas EGP	2,100	-	2,100	-	-	-	5,000	-	5,000	5,000	-	5,000
Soissons	11,581	-	11,581	60,246	-	60,246	50,000	-	50,000	5,000	-	5,000
Willbob	716,433	-	716,433	115,381	-	115,381	120,000	-	120,000	50,000	-	50,000
Project generation	44,335	-	44,335	18,542	-	18,542	75,000	-	75,000	30,000	-	30,000
	<b>7,150,450</b>	<b>604,753</b>	<b>7,755,203</b>	<b>2,961,894</b>	<b>70,496</b>	<b>3,032,390</b>	<b>3,499,000</b>	<b>-</b>	<b>3,499,000</b>	<b>1,910,000</b>	<b>-</b>	<b>1,910,000</b>

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**4. EXPLORATION ACTIVITIES (CON'T)**

Exploration and evaluation expenses	Actual Fiscal 19			Actual Fiscal 20			Budget Fiscal 20 - modified			Budget Fiscal 21		
	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total
Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Option</b>												
Casault - Wallbridge	-	-	-	-	15,017	15,017	-	750,000	750,000	-	750,000	750,000
La Peltrie – Probe	-	-	-	-	206,855	206,855	-	500,000	500,000	-	500,000	500,000
	-	-	-	-	<b>221,872</b>	<b>221,872</b>	-	<b>1,250,000</b>	<b>1,250,000</b>	-	<b>1,250,000</b>	<b>1,250,000</b>
<b>Joint venture</b>												
Gaudet-Fenelon – Probe 50%	-	-	-	40,991	40,992	81,983	-	-	-	500,000	500,000	1,000,000
Laflamme Au– Abcourt 22,1%	396,115	-	396,115	304,677	-	304,677	310,000	-	310,000	50,000	-	50,000
Maritime-Cadillac AEM 51%	14,981	2,430	17,411	72,681	75,648	148,329	125,000	125,000	250,000	100,000	100,000	200,000
Gatineau JV 50%	-	-	-	43,151	43,151	86,302	250,000	250,000	500,000	200,000	200,000	400,000
JV Eleonore Osisko 50%	28,109	28,110	56,219	-	-	-	-	-	-	50,000	50,000	100,000
BHP Ni - Alliance	-	-	-	-	217,911	217,911	-	-	-	-	1,000,000	1,000,000
Soissons NMEF 50%	57,871	64,602	122,473	32,870	32,870	65,740	50,000	50,000	100,000	50,000	50,000	100,000
	<b>497,076</b>	<b>95,142</b>	<b>592,218</b>	<b>494,370</b>	<b>410,572</b>	<b>904,942</b>	<b>735,000</b>	<b>425,000</b>	<b>1,160,000</b>	<b>950,000</b>	<b>1,900,000</b>	<b>2,850,000</b>
<b>Grand total</b>	<b>7,647,526</b>	<b>699,895</b>	<b>8,347,421</b>	<b>3,456,264</b>	<b>702,940</b>	<b>4,159,204</b>	<b>4,234,000</b>	<b>1,675,000</b>	<b>5,909,000</b>	<b>2,860,000</b>	<b>3,150,000</b>	<b>6,010,000</b>

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

Concerning the table in the previous page:

- 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.

#### **ABITIBI**

##### **4.1 Abitibi Gold (Au)**

###### *Property Description*

On July 16, 2018, the Corporation signed a definitive agreement whereby it sold 17 claims for \$8,000 cash and a 1% NSR royalty. The Corporation wrote off the project included in Abitibi Gold for \$14,455 during Q1-20.

##### **4.2 Adam (Cu-Au)**

###### *Property Description*

The Adam property is wholly owned by Midland and is located about 65 kilometres west of the town of Matagami. As at September 30, 2020, it consists of 168 claims covering a surface area of about 9,343 hectares in the Abitibi region of Quebec. Some claims were dropped therefore the Corporation impaired partially for \$3,804 (\$2,632 in Fiscal 19).

The Adam property has strong gold and copper potential located about 15 kilometres east of the B26 zone held by SOQUEM and about 20 kilometres east of the former Selbaie mine, which historically produced 56.5 Mt grading 1.9% Zn, 0.9% Cu, 38.0 g/t Ag and 0.6 g/t Au.

###### *Exploration work on the property*

No exploration work on the ground was conducted on Adam during Fiscal 20. Midland is currently looking for a new partner for this project.

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**4. EXPLORATION ACTIVITIES (CONT'D)**

**4.3 Casault (Au), option agreement with Wallbridge, operated by Wallbridge**

*Property Description*

The Casault property is located about 40 kilometres to the east of the Detour Lake gold project located north of the city of La Sarre, Abitibi and as at September 30, 2020, this property consists in 322 claims covering an area of approximately 17,726 hectares.

On October 10, 2014, the Corporation signed a letter of intent with SOQUEM to grant SOQUEM the option to acquire a 50% undivided interest in its Casault and Jouvex properties. By October 10, 2016, SOQUEM completed the \$4,500,000 work commitment, acquired a 50% undivided interest in the Casault Jouvex property and is now in joint venture with Midland.

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	15,017
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	-
<b>Total</b>	<b>600,000</b>	<b>100,000</b>	<b>5,000,000</b>	<b>15,017</b>

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 was held during September in order to discuss the next drilling program to be conducted by Wallbridge in 2021. Wallbridge is completing a review of the project historical data in order to generate the best possible drilling targets for the beginning of 2021.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

##### **4.4 Coigny (Au)**

*Property Description*

The new Coigny property (100% Midland) consists of 40 claims (2,225 hectares) is located about 20 km to the southeast of the Geant Dormant mine.

*Exploration work on the property*

No exploration work on the ground was conducted on Coigny during Fiscal 20.

##### **4.5 Fleuribleu (Au)**

*Property Description*

The new Fleuribleu property consists in one claim block totalling 196 claims (10,880 hectares) as at September 30, 2020. 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.

*Exploration work on the property*

No exploration work on the ground was conducted on Fleuribleu during Fiscal 20. Midland is currently looking for a new partner for this project.

##### **4.6 Gaudet (Au), in partnership avec Probe, operated by Probe**

*Property Description*

The new Gaudet-Fenelon property consists of one claim block totalling 226 claims (12,530 hectares) as at September 30, 2020. The claim block 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.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

An induced polarization (IP) survey totaling more than 40 km was completed during Q4-20. This survey with a line spacing of 100 metres will help to define the next drilling targets. Three areas were identified and have been prioritized. These areas are characterized by high chargeability anomalies coupled with high resistivity anomalies. A biogeochemical survey is also in progress and the results are expected during Q2-21. A high-resolution magnetic survey is also in progress on the eastern block (Samson NW). Final results are pending.

##### **4.7 Guyberry (Au)**

###### *Property Description*

The new Guyberry property consists of one claim block totaling 49 claims (1,931 hectares) as at September 30, 2020. See section 4.4 on the property acquisition agreement.

###### *Exploration work on the property*

No exploration work on the ground was conducted on Guyberry during Fiscal 20. Midland is currently looking for a new partner for this project.

##### **4.8 Heva (Au)**

###### *Property Description*

The Heva West block consists of 4 contiguous claims adjacent to the west of the Maritime-Cadillac property, currently a 49% Midland / 51% Agnico Eagle. The Heva East block is located about 4 kilometres to the southeast and consists of 30 contiguous claims largely covering sedimentary rocks of the Cadillac Group just north of the Piché Group. Some claims are subject to a 2% NSR royalty to the original holders, half of the royalty can be bought back for a payment of \$1,000,000.

On April 27, 2017, the Corporation had signed an option agreement with IAMGOLD whereby IAMGOLD could have earned, in three options, a maximum interest of 65% in the Héva property, On November 20, 2018, the Corporation received from IAMGOLD a termination notice for the Héva option agreement.

###### *Exploration work on the property*

No exploration work on the ground was conducted on Heva during Fiscal 20. Midland is currently looking for a new partner for this project.

##### **4.9 Jeremie (Au)**

###### *Property Description*

The Jeremie block now totals 42 claims (2,173 hectares), 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. In October 2019, 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).



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**4. EXPLORATION ACTIVITIES (CONT'D)**

*Exploration work on the property*

No exploration work on the ground was conducted on Jeremie during Fiscal 20. Midland is currently looking for a new partner for this project.

**4.10 Jouvex (Au)**

*Property Description*

The Jouvex property is located about 50 kilometres to the southwest of Matagami and as at September 30, 2020 is composed of 345 claims covering an area of approximately 19,253 hectares. Some claims were dropped therefore the Corporation impaired partially for \$3,702 in Fiscal 19).

See the Casault section for the details on the agreement signed with SOQUEM.

*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 represent drilling targets.

**4.11 La Peltrie (Au), option agreement with Probe, operated by Probe**

*Property Description*

As at September 2020, the La Peltrie property comprises 482 claims covering a surface area of about 26,056 hectares and encompasses possible subsidiary faults to the south of the regional Lower Detour Fault over a distance of more than 10 kilometres. During Fiscal 19, some claims were dropped therefore the Corporation impaired partially for \$20,146. Some claims are subject to a 1% Gross Metal royalty.

On August 29, 2017, the Corporation had signed an option agreement with Niobay whereby Niobay could have earned, in two options, a maximum interest of 65% in the La Peltrie property. On January 15, 2019, the Corporation received from Niobay a termination notice for the option agreement.

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 <sup>1)</sup>	-	-
On or before July 31, 2021	55,000	-	500,000	206,855
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	-
<b>Total</b>	<b>400,000</b>	<b>50,000</b>	<b>3,500,000</b>	<b>206,855</b>

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.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

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.

##### *Exploration work on the property*

A high-resolution magnetic survey was completed in the northern portion of the property. Results of this survey are pending. Also, a biogeochemical survey was started and will be completed during Q2-21. Following the reception of those results, a geophysical program (IP) and drilling will be planned during Q2-21 and Q3-21.

#### **4.12 Lac Esther (Au)**

##### *Property Description*

The Lac Esther property is located less than 30 kilometres to the north of the municipality of Lebel-sur-Quévillon, in Quebec and as at September 30, 2020 comprises 261 claims (14,634 hectares) . 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 during Q2-21.

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

##### *Property Description*

The Laflamme property is located about 25 kilometres west of Lebel-sur-Quévillon in the Abitibi region. As at September 30, 2020, the Laflamme property consists of a total of 491 claims covering an area of approximately 26,344 hectares and Midland holds 77.9% of the property.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

On August 17, 2009, the Corporation signed an agreement with Aurbec Mines Inc. ("Aurbec"), (previously a subsidiary of North American Palladium Ltd.) and on June 17, 2016, Abcourt Mines Inc. ("Abcourt") acquired the interest in the property following the bankruptcy of Aurbec. Abcourt does not contribute to the exploration programs and is therefore being diluted.

Some claims were dropped in Fiscal 19, therefore the Corporation impaired partially for \$43,542 the exploration property cost.

##### *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.

#### **4.14 Lewis (Au)**

##### *Description de la propriété*

The Lewis property consists of 172 claims (9,593 hectares) and covers a strategic position characterized by a regional flexure proximal to the Guercheville-Opawica deformation zone. The Lewis project is located approximately 60 kilometres northwest of the Nelligan deposit, jointly held by Iamgold Corporation (75%) and Vanstar Mining Resources (25%).

##### *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.

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.

During Q4-20, five (5) days of mechanical stripping were conducted over three trenches to clear the main showing and its possible extensions towards the east. Few metric zones consisting in quartz-carbonate veins mineralized with pyrite were observed. The results are expected later during Q1-21.

#### **4.15 Maritime-Cadillac (Au) in partnership with Agnico Eagle and operated by Agnico Eagle**

##### *Property Description*

The property is located in the Abitibi region in Quebec, along the Cadillac-Larder break and is composed of 7 claims. The Corporation holds 49% of the Maritime-Cadillac property located south of the Lapa mine. This property is subject to a 2% net smelter return ("NSR") royalty; half of the royalty can be bought back for a payment of \$1,000,000.

As per the agreement signed in June 2009 and amended in November 2012 and May 2013, Agnico Eagle Mines Limited ("Agnico Eagle") and the Corporation are in a joint venture and future work are shared 51% Agnico Eagle - 49% the Corporation.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

##### *Exploration work on the property*

The Leapfrog 3D modelling and targeting effort conducted by InnovExplo, based in Val-d'Or, led to the definition of six (6) new drilling targets at shallow to moderate vertical depths, for a total of 2,585 metres of drilling including the following:

- Dyke West Zone (2 drill holes; 900 m)
- Dyke East Zone (2 drill holes; 840 m)
- Maritime Extension Zone (2 drill holes; 845 m)

These new drilling targets all correspond to significant gaps ranging from 200 to 300 metres wide, along the extensions of the Maritime-Cadillac, Dyke West and Dyke East zones, where historical drilling carried out between 2010 and 2017 yielded significant gold intercepts including:

- DDH 141-10-26 (Dyke West): 8.6 g/t Au over 5.5 metres, incl. 13.8 g/t Au over 3.0 metres.
- DDH 141-11-31 (Dyke East): 1.7 g/t Au over 46.4 metres, incl. 21.0 g/t Au over 1.2 metre.
- DDH 141-10-23 (Dyke East): 1.7 g/t Au over 37.85 metres, incl. 12.6 g/t Au over 1.5 metre.
- DDH 141-17-36 (Maritime-Cadillac): 1.46 g/t Au over 31.6 metres, incl. 2.22 g/t Au over 15.6 metres.

During Q4-20, a drilling program consisting in two (2) holes totalling 1,280.0 metres was completed on the Maritime-Cadillac JV property in partnership with Agnico Eagle. This program included one drillhole (121-20-41) of a length of 848.0 metres which tested the depth extension and plunge of the Dyke East zone at a vertical depth of 600 metres. This hole cut the targeted intermediate dyke over a core length of approximately 15 metres. The dyke is altered with biotite-Carbonates-chlorite and is mineralized with up to 2 % Py-Po, traces of arsenopyrite between 761.5 and 776.5 metres.

The second hole of this program was completed at a final depth of 432.0 metres and was aiming to test two parallel gold-bearing zones ( South and North zones), which have been identified by drilling in a poorly worked area South of the Maritime-Cadillac zone. Hole 121-40-40 intersected an alternance of mafic volcanic rocks with sediments that are locally altered with biotite and mineralized with up to 2-3% Py-Po over metric to decametric widths.

Assay results are expected later during Q1-21.

#### **4.16 Manthet (Au)**

##### *Property Description*

The Manthet property is wholly owned by Midland and is located about 30 kilometres north-east of Detour Lake. As at September 30, 2020, it consists of 7 claims covering a surface area of about 386 hectares in the Abitibi region of Quebec. The Company wrote off the property in Fiscal 19 and incurred an impairment change of \$16,185.

#### **4.17 Mistaouac (Au)**

##### *Property Description*

The Mistaouac property is located about 75 kilometres to the south-west of Matagami in Abitibi, Quebec and consists of 213 claims (11,579 hectares) as at September 30, 2020. This bloc is located less than 5 kilometres to the northeast of the Estrades Zn-Cu-Au deposit to the east of Casa Berardi.

Some claims were dropped therefore the Corporation impaired partially for \$11,340 in Fiscal 19.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

##### *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 Q2-21.

#### **4.18 Noyelles (Au)**

##### *Property Description*

The Noyelles property is located approximately 20 kilometres south of the town of Matagami, in Abitibi, Quebec and consists of 172 claims (9,616 hectares) as at September 30, 2020. This property provides control over more than 30 kilometres of structures with strong gold potential, within and proximal to the northern contact of the sedimentary Taibi Group along the Casa Berardi deformation zone.

##### *Exploration work on the property*

This new acquisition is located approximately 8 kilometres northeast of the Vezza gold deposit, held by Nottaway Resources Inc. and hosted in the southern part of the Taibi sediments, along the Douay-Cameron deformation zone. The latter also hosts the Douay deposit held by Maple Gold Mines Ltd. The Douay deposit is located approximately 25 kilometres west of Vezza and contains indicated resources estimated at 8.6 million tonnes grading 1.52 g/t Au (422,000 ounces of gold) and inferred resources of 71.2 million tonnes grading 1.03 g/t Au for 2.35 million ounces of gold (Source: NI 43-101 report by RPA dated December 6, 2019).

The Noyelles property covers, over a distance of more than 15 kilometres, the northern contact of the Taibi Group sediments along the Casa Berardi North deformation zone. A felsic intrusion, approximately 4 kilometres long, lies near this contact. The intrusion causes a structural complexity and potential gold traps associated with low-pressure zones along the lateral extensions of the intrusion. A few historical gold occurrences are reported near this contact, namely the historical Ludger gold showing, located approximately 3 kilometres east of Noyelles, where grades reaching 7.6 g/t Au over 2.3 metres in channel sample and up to 2.2 g/t Au over 3.9 metres in drill hole are reported (Source: MERN-SIGEOM NTS sheet 32F11; GM 57119).

A compilation of historical works is in progress and a field program is possible during Q2-21.

#### **4.19 Patris (Au)**

##### *Property Description*

The Patris property is located about 30 kilometres to the north-east of Rouyn-Noranda and as at September 30, 2020 consists of 277 claims (11,289 hectares). Some claims are subject to the following NSR royalties:

- 1.5%, the Corporation can buy it back for \$500,000 per 0.5% tranche for a total of \$1,500,000;
- 1%, the Corporation can buy it back for \$500,000 per 0.5% tranche for a total of \$1,000,000;
- 2%, the Corporation can buy it back for \$1,000,000 per 1% tranche for a total of \$2,000,000;
- 2%, the Corporation can buy it back for \$500,000 the first 1% tranche and for \$1,000,000 for the second 1% tranche, for a total of \$1,500,000.

Some claims were dropped in Fiscal 19, therefore the Corporation impaired partially for \$13,558 the exploration property cost.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

##### *Exploration work on the property*

No exploration work conducted on Patris during Fiscal 20. Midland is currently looking for a new partner for this project.

#### **4.20 Samson (Au)**

##### *Property Description*

As at September 30, 2020, the Samson property consists of 280 claims covering a surface area of about 15,545 hectares about 50 kilometres west of the town of Matagami, in Abitibi.

##### *Exploration work on the property*

During Q4-20, a diamond drilling campaign consisting of five (5) drill holes totalling 1,287.0 metres was completed on the Samson project. This drilling program was mainly designed to test induced polarization (IP) anomalies characterized by chargeability highs located in the heart of a folded magnetic structure and associated with resistivity lows. The program also included two drill holes testing chargeability IP anomalies coinciding with resistivity highs located immediately to the east of the fold nose.

A new gold-bearing zone, named Golden Delilah, was discovered in drill hole SAM-20-10 during the drilling program. This new discovery consists of a quartz-albite vein intersected over a core length of 1.60 metres long, hosted in ultramafic intrusive rocks, which graded 99.1 g/t Au, 71.3 g/t Ag and 0.17% Pb over 0.40 metre, from 106.45 to 106.85 metres. This section of the vein is characterized by the presence of at least 13 visible gold grains some 1-2 mm in diameter over 40 centimetres; the rest of the vein yielded gold values ranging between 1.57 g/t Au and 2.23 g/t Au. The vein is cut by a late fault with no core recovered over 1.05 metre (see Table 1). This zone was intersected in two holes drilled on the same section, along the north limb of the folded magnetic structure.

Drill hole SAM-20-11, testing approximately 50 metres below drill hole SAM-20-10, intersected 2.21 g/t Au over 0.45 metre from 120.70 to 121.15 metres. This new gold-bearing structure is interpreted as a possible subsidiary of the regional Lower Detour Fault.

The three remaining holes drilled during this campaign successfully explained the IP anomalies with the presence of disseminated and stringer sulphides, composed of variable amounts of pyrite, pyrrhotite, chalcopyrite and arsenopyrite.

Again, during Q4-20, a second drilling program consisting in seven (7) holes totalling 1,810.0 metres was completed. During this program, three (3) holes tested the extensions of the Golden Delilah zone over a 50 metres spacing while three other holes tested the possible extensions of the Golden Delilah zone respectively 500 m to the west and 350-550 metres to the south-east. The other drillhole tested an IP anomaly approximately 850 metres to the south-east of Golden Delilah. All assay results are pending and are expected later during Q1-21.

#### **4.21 Turgeon (Au)**

##### *Property Description*

The Turgeon property is wholly owned by Midland and is located 150 kilometres to the south-west of Matagami. As at September 30, 2020, it consists of 244 claims (13,675 hectares) in the Abitibi region of Quebec.

**4. EXPLORATION ACTIVITIES (CONT'D)**

*Exploration work on the property*

No exploration work on the ground was conducted on Turgeon during Fiscal 20. Midland is currently looking for a new partner for this project.

**4.22 Valmond (Au)**

*Property Description*

The Corporation acquired claims by map staking about 50 kilometres to the west of the town of Matagami, Abitibi. As at September 30, 2020, this property consists in 48 claims covering an area of approximately 2,672 hectares. The Corporation wrote off the property for \$143,106 in Fiscal 19.

*Exploration work on the property*

No exploration work on the ground was conducted on Valmond during Fiscal 20. Midland is currently looking for a new partner for this project.

**4.23 Veza (Au)**

*Property Description*

The Veza property is wholly owned by Midland and is located 3 kilometres west of the Veza mine. As at September 30, 2020, it consists of 6 claims (2 blocks of 3 claims) covering a surface area of about 335 hectares in the Abitibi region of Quebec.

*Exploration work on the property*

No exploration work conducted on Veza during Fiscal 20. Midland is currently looking for a new partner for this project.

**4.24 Wawagasic (Au)**

*Property Description*

The Wawagasic property is wholly owned by Midland and is located 30 kilometres east of Detour Lake. As at September 30, 2019, it consists of 57 claims covering a surface area of about 3,162 hectares in the Abitibi region of Quebec.

*Exploration work on the property*

No exploration work conducted on Wawagasic during Fiscal 20. Midland is currently looking for a new partner for this project.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

##### **GRENVILLE-APPALACHES**

#### **4.25 Gatineau (Zn), in partnership with SOQUEM, operated by SOQUEM**

##### *Property Description*

The Gatineau property is a land position for zinc, including as at September 30, 2020, 259 claims (15,282 hectares) distributed in the Gatineau Area, approximately 200 kilometres northwest of the city of Montreal. Some claims were dropped therefore the Corporation impaired partially for \$96,627 in Fiscal 19.

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 Q2-21.

#### **4.26 Ski**

##### *Property Description*

The Ski property, recently staked, consists of 5 claims as of September 30 2020 and is located in the 31J02 NTS sheet in the Vallee de la Gatineau.

#### **4.27 Weedon (Cu-Zn-Au)**

##### *Property Description*

This property is located in the Eastern Townships, about 120 km south of Quebec City and as at September 30, 2020 is comprised of 156 claims covering an approximate area of 8,922 hectares. Some claims are subject to NSR royalties of:



#### **4. EXPLORATION ACTIVITIES (CONT'D)**

- 1%, the Corporation can buy it back the royalty for \$500,000 per 0.5% tranche for a total of \$1,000,000;
- 0.5%, the Corporation can buy it back this royalty for \$500,000;
- 1.5% on all metals except gold and silver, the Corporation can buy it back for \$500,000 per 0.5% tranche for a total of \$1,500,000.

Some claims were dropped therefore the Corporation impaired partially for \$7,728 in Fiscal 19 the exploration property cost.

##### *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.

#### **4.28 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.

#### **JAMES BAY**

#### **4.29 BJ Gold (Au)**

##### *Property Description*

Midland owns a 100% interest on 199 claims as at September 30, 2020 covering 10,219 hectares in the James Bay Area. Some claims were dropped therefore the Corporation impaired partially for \$262,798 the exploration property cost.

#### **4.30 BJ Éléonore (Au)**

##### *Property Description*

The Éléonore new property is divided in three distinct blocks with two of them within 25 kilometres from the Éléonore gold discovery of Newmont and one southeast 30 km further along strike. It encompasses a group of 264 claims covering an area of approximately 13,846 hectares as at September 30, 2020.

#### **4.31 Elrond (Au)**

##### *Property Description*

The Elrond property consists as at September 30, 2020 of 197 contiguous claims covering a total surface area of 10,175 hectares.

**4. EXPLORATION ACTIVITIES (CONT'D)**

**4.32 Fangorn (Au)**

*Property Description*

The Fangorn property consists as at September 30, 2020 of 16 contiguous claims covering a total surface area of 816 hectares.

**4.33 Gondor (Au)**

*Property Description*

The Corporation decided to drop the claims of the Gondor property since, amongst other reasons, no gold anomaly was found. The Corporation wrote off the property for \$47,022 during Fiscal-19.

**4.34 Helm's Deep (Au)**

*Property Description*

The Helm's Deep property consists as at September 30, 2020 of 70 contiguous claims covering a total surface area of 3,699 hectares.

**4.35 Isengard (Au)**

*Property Description*

The Corporation decided to drop the claims of the Isengard property since, amongst other reasons, no gold or base metals anomalies were found. The Corporation wrote off the property for \$64,468 during Fiscal 19.

*Exploration work on the property*

**4.36 JV Eleonore (Au), in partnership with Osisko, operated by Osisko**

*Property Description*

On June 13, 2016, a joint-venture agreement (50%-50%) was signed with Osisko Mining Inc. ("Osisko") whereby Osisko and the Corporation cooperate and combine their efforts to explore the JV Eleonore. The property is located 12 kilometres southeast and northwest of Newmont's Eleonore deposit. Osisko is the operator. Each partner obtained a 0.5% NSR royalty as a mutual consideration for the constitution of the joint venture.

The property is located 12 kilometres southeast and northwest of Newmont's Eleonore deposit. The property regroups several properties for a total of 578 claims covering a surface area of about 30,281 hectares.

**4.37 Komo (Au)**

*Property Description*

The Corporation acquired by map designation the Komo project with strong gold potential totalling 393 claims (20,743 hectares), 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.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

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*

Few days of prospection were conducted during Q4-20 and final assay results are pending.

#### **4.38 McDuff (Cu-Au-Mo-Ag)**

##### *Property Description*

The McDuff property consists as at September 30, 2020 of 159 (8,394 hectares).

##### *Exploration work on the property*

A prospection campaign on the Macduff project was held in September 2019. The best results returned 0.74 g/t Au and 0.65 g/t Au in grab samples.

#### **4.39 Minas Tirith**

##### *Property Description*

The Minas Tirith property consists as at September 30, 2020 of 4 claims (213 hectares). Some claims were dropped therefore the Corporation impaired partially for \$56,994 in Fiscal-19.

#### **4.40 Moria (Ni-Cu)**

##### *Property Description*

The Moria property consists as at September 30, 2020 of 110 claims (5,812 hectares).

#### **4.41 Mythril (Au-Cu-Mo)**

##### *Property Description*

The Mythril property consists as at September 30, 2020 of 2,197 (112,035 hectares). 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.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

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.

Prospecting was carried out during Q4-20 on the main Mythril block and on the regional project. Assays results are pending.

##### **4.42 Shire (Zn-Cu)**

###### *Property Description*

The Shire property consists as at September 30, 2020 of 148 contiguous claims covering a total surface area of 7,870 hectares. Some claims were dropped therefore the Corporation impaired partially for \$204,017 in Fiscal-19.

##### **4.43 Wookie (Au)**

###### *Property Description*

The Corporation acquired by map designation the Wookie project with strong gold potential totalling 246 claims (12,881 hectares), located near the recent Patwon gold discovery made by Azimut Exploration Inc. ("Azimut") on its Elmer project (Eeyou Istchee James Bay, Quebec).

###### *Exploration work on the property*

Few days of prospecting were completed on Wookie during Q4-20 and assay results are pending.

##### **4.44 JV JB Altius (Au)**

On February 10, 2017, the Corporation had 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.

On February 12, 2019, the parties jointly decided to terminate the Alliance. The designated projects as per the Alliance (Elrond, Gondor, Helms Deep, Isengard, Minas Tirith, Moria, Shire, Mythril and Fangorn) maintain their 1% NSR royalty in favor of Altius, on the claims that were active at the time of their designation.

#### **NORTHERN QUEBEC**

##### **4.45 BHP Alliance (NI)**

###### *Alliance Description (see section 2.4.1)*

###### *Exploration work in the area of interest*

During Q4-20, two weeks of prospecting were completed within the area of interest. Assay results are pending.

#### **4. EXPLORATION ACTIVITIES (CONT'D)**

##### **4.46 Pallas (PGE)**

###### *Property Description*

As at September 30, 2019, the property totals 349 claims covering approximately 15,822 hectares in the Labrador Trough («Trough») some 80 kilometres west of Kuujjuak, Québec. Some claims were dropped therefore the Corporation impaired partially for \$6,060 the exploration property cost (\$49,873 in Fiscal 19).

##### **4.47 Soissons (Ni-Cu-Co)**

###### *Property description*

The Soissons property consists of a total of 175 claims (8,226 hectares) and is located approximately 150 kilometers southeast of the town of Kuujjuak, Quebec, in the geological province of Churchill.

##### **4.48 Soissons-NMEF (Ni-Cu-Co)**

###### *Property Description*

On July 27, 2018, the Corporation signed a partnership agreement (50%-50%) with the Nunavik Mineral Exploration Fund (“NMEF”), to explore an area of the Soissons property located between 50 and 100 kilometers southeast of Kuujjuak, Nunavik, Quebec. The NMEF will be the operator of the partnership. As at September 30, 2020, this project consists of a total of 51 claims (2,362 hectares).

###### *Exploration work on the property*

Prospecting works were carried out during Q4-20 and assay results are pending.

##### **4.49 Willbob (Au)**

###### *Property Description*

The Willbob property in the Labrador Trough consists of 1,007 claims (46,097 hectares) as of September 30, 2020 and is located approximately 66 kilometres west-southwest of Kuujjuak (Québec), near and in a geological environment similar to Midland’s Pallas Project.

The Corporation owns the Willbob property and some claims are subject to the following royalties:

- 2% NSR royalty
- 2% NSR royalty of which 1% can be bought back for a payment of \$1,000,000.

Some claims were dropped therefore the Corporation impaired partially for \$114,391 the exploration property cost in Fiscal 19.

#### **PROJECTS GENERATION**

Midland continued some geological compilation programs in Quebec for the acquisition of new strategic gold and base metal properties.

Some projects included in Projects Generation were dropped therefore the Corporation wrote off \$85,393 during Fiscal 19 (none in Fiscal 20).

**Midland Exploration Inc.**  
**Management Discussion & Analysis**  
For the year ended September 30, 2020

**4. EXPLORATION ACTIVITIES (CONT'D)**

**Other Activities**

Midland is proactive in the acquisition of new mineral exploration properties in Quebec. Management is constantly reviewing other opportunities and other projects to improve the portfolio of the Corporation. Acquisition opportunities outside of Quebec will also be considered. Midland prefers to work in partnership and fully intends to secure new partnerships for its properties and its 100% owned properties.

**5. WORKING CAPITAL**

Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Corporation has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Corporation. The Corporation may also elect to advance the exploration and development of mineral properties through joint-venture participation.

	<b>Fiscal 21 forecast</b>
	\$
Working capital opening	10,966,000
Operating expenses, excluding non-cash items	(1,832,000)
Project management fees and interest income	225,000
Flow-through private placement	2,285,000
Private placement	96,000
Share issue expenses	(150,000)
Exploration budget paid by Midland	(2,860,000)
Mining credits of preceding years	813,000
Property maintenance	(417,000)
Cash used	(1,675,000)
<b>Working capital ending</b>	<b>9,291,000</b>

**6. SELECTED ANNUAL INFORMATION**

	<b>Fiscal 20</b>	<b>Fiscal 19</b>	<b>Fiscal 18</b>
	\$	\$	\$
Project management fees	23,754	33,684	109,548
Loss	(1,345,977)	(1,142,784)	(807,530)
Loss per share, basic and diluted	(0.02)	(0.02)	(0.01)

	<b>As at September 30,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$
Total assets	38,893,801	38,615,831	29,736,269

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**7. SUMMARY OF RESULTS PER QUARTERS**

For the eight most recent quarters:

	<b>Q4-20</b>	<b>Q3-19</b>	<b>Q2-19</b>	<b>Q1-19</b>
	\$	\$	\$	\$
Project management fees	23,230	-	159	365
Net earnings (loss)	(290,412)	(92,179)	(644,483)	(318,903)
Loss per share	-	-	(0.01)	(0.01)
Total assets	38,615,831	38,105,912	38,247,363	39,141,336

  

	<b>Q4-19</b>	<b>Q3-19</b>	<b>Q2-19</b>	<b>Q1-19</b>
	\$	\$	\$	\$
Project management fees	863	1,084	11,609	20,128
Net earnings (loss)	(862,300)	483,606	(216,876)	(547,214)
Loss per share	(0.01)	0.01	-	(0.01)
Total assets	38,615,831	39,668,731	33,371,418	32,934,533

An important variance in Q3-19 can be explained by a \$993,400 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 2018 private placement.

**8. FOURTH QUARTER**

The Corporation reported a loss of \$290,412 for Q4-20 compared to a loss of \$862,300 for Q4-19.

The Corporation project management fees increased to \$23,230 in Q4-20 (\$863 in Q4-19) following the conclusion of the BHP Strategic Alliance in August 2020.

Operating expenses decreased to \$472,074 in Q4-20 compared to \$984,877 in Q4-19:

- Professional fees increased to \$178,796 (\$78,022 in Fiscal 19). Legal fees increased following the negotiations of several partnership agreements. Also, a mandate was given to an external firm to develop rules and procedures in health and safety in Fiscal 20.
- Impairment of exploration and evaluation assets (non-cash items) decreased to \$1,899 (\$661,964 in Fiscal 19). 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. See section 4 for the detailed explanations by properties.

The Corporation incurred \$1,739,588 (\$2,942,656 in Q4-19) in exploration expenses of which \$287,761 (\$8,835 in Q4-19) was recharged to the partners. The exploration expenses incurred in Q4-20 were incurred mainly on Samson, Mythril and as part of the BHP Alliance whereas in Q4-19 they were mostly executed on Mythril and Willbob.

The Corporation acquired or maintained properties for \$26,915 net (\$26,417 net in Q4-19)

## **9. RELATED PARTY TRANSACTIONS**

The following are the related party transactions that occurred in Fiscal 20, in the normal course of operations:

- A firm in which René Branchaud (director and corporate secretary) is a partner charged legal fees amounting to \$146,834 (\$147,281 in Fiscal 19) of which \$121,446 (\$38,626 in Fiscal 19) was expensed and \$25,388 (\$108,655 in Fiscal 19) was recorded as share issue expenses;
- A company controlled by Ingrid Martin (chief financial officer) charged accounting fees totaling \$126,292 (\$138,976 in Fiscal 19) of which \$41,879 (\$57,113 in Fiscal 19) relates to her staff;
- As at September 30, 2020, the balance due to the related parties amounted to \$9,448 (\$5,067 as at September 30, 2019).

## **10. EVENTS SUBSEQUENT TO YEAR END**

See section 2.2 on financing activities.

## **11. STOCK OPTION PLAN**

The purpose of the stock option plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan.

The number of common shares granted is determined by the Board of Directors. The number of common shares reserved for issuance under the Corporation's fixed number stock option plan is 5,790,000. The exercise price of any option granted under the plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the closing price on the day preceding the grant. The term of the option will not exceed ten years from the date of grant. The options normally vest 1/6 per 3 months from the grant date, or otherwise as determined by the Board of Directors.

## **12. OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation does not have any off-balance sheet arrangements.

## **13. COMMITMENT**

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.

## **14. CRITICAL ACCOUNTING ESTIMATES**

See note 4 of the Financial Statements.



## **15. NEW ACCOUNTING STANDARDS**

The most relevant standards, amendments and interpretations issued up to the date of the issuance of these financial statements are listed below.

### **15.1 Accounting standards adopted in Fiscal 20**

#### **IFRS 16 Leases**

On October 1, 2019, the Company adopted IFRS 16 Leases. 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. IFRS 16 replaces IAS 17 Leases, and related interpretations. All leases result in the lessee obtaining the right to use an asset at the start of the lease and incurring a financing obligation corresponding to the lease payments to be made over time. Accordingly, for lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model. 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*

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 recognized 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 three year period under the same conditions.

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

## **16. FINANCIAL INSTRUMENTS**

See notes 2.5 and 13 of the Financial Statements.

## **17. RISK FACTORS**

The following discussions review a number of important risks which management believes could impact the Corporation's business. There are other risks, not identified below, which currently, or may in the future exist in the Corporation's operating environment.

### **17.1 Exploration and Mining Risks**

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Currently, there are no known bodies of commercial ore on the mineral properties of which the Corporation intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the conduct of exploration programs. The Corporation, from time to time, increases its internal exploration and operating expertise with due advice from consultants and others as required.

The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Corporation's mineral properties.

### **17.2 Titles to Property**

While the Corporation has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

### **17.3 Permits and Licenses**

The Corporation's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### **17.4 Metal Prices**

Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

## **17. RISK FACTORS (CONT'D)**

### **17.5 Competition**

The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

### **17.6 Environmental Regulations**

The Corporation's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to fully comply with all environmental regulations.

### **17.7 Conflicts of Interest**

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors or officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

### **17.8 Stage of Exploration**

The Corporation's properties are in the exploration stage and to date none of them have a proven ore body. The Corporation does not have a history of earnings or return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

### **17.9 Industry Conditions**

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax and mining duty increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Corporation, such as government regulations. The Corporation undertakes exploration in areas that are or could be the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.

## **17. RISK FACTORS (CONT'D)**

### **17.10 Uninsured Hazard**

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Corporation may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Corporation may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Corporation assets or the insolvency of the Corporation.

### **17.11 Capital Needs**

The exploration, development, mining and processing of the Corporation's properties will require substantial additional financing. The only current source of future funds available to the Corporation is the sale of additional equity capital. There is no assurance that such funding will be available to the Corporation or that it will be obtained on terms favourable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest.

### **17.12 Key Employees**

Management of the Corporation rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

### **17.13 Canada Revenue Agency and provincial agencies**

No assurance can be made that Canada Revenue Agency and provincial agencies will agree with the Corporation's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada) or any provincial equivalent.

### **17.14 Uncertainty due to COVID-19**

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Corporation's operations, financial results and condition in future periods are also subject to significant uncertainty.

**18. FORWARD LOOKING INFORMATION**

Some statements contained in this MD&A, specially the opinions, the projects, the objectives, the strategies, the estimates, the intent and the expectations of Midland that are not historical data, are forward looking statements. Such statements can be recognized by the terms “forecast”, “anticipate”, “consider”, “foresee” and other terms and similar expressions. These statements are based on information available at the time they are made, on assumptions established by the management and on the management expectation, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section 17 Risks factors). The real results for Midland could differ in an important way of those which state or that these forward looking statements show the possibility for. Consequently, it is recommended not to trust unduly these statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. These statements speak only as of the date of this MD&A. Midland undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

December 3, 2020

*(s) Gino Roger*  
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Gino Roger  
President and CEO

*(s) Ingrid Martin*  
\_\_\_\_\_  
Ingrid Martin  
CFO

# Midland Exploration Inc.

## Corporate Information

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### Directors

Paul Archer <sup>2) 3)</sup>  
René Branchaud <sup>2)</sup>  
Germain Carrière <sup>1) 2)</sup>  
Jean-Pierre Janson, Chairman of the board <sup>1) 2)</sup>  
Gino Roger <sup>3)</sup>  
Robert I. Valliant <sup>1) 3)</sup>

### Notes:

- 1) *Member of the Audit committee*
- 2) *Member of the Compensation 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

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