



Midland Exploration Inc.

Management's Discussion and Analysis

September 30, 2018

Midland Exploration Inc.

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Midland Exploration Inc.

Management Discussion & Analysis

For the year ended September 30, 2018

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, 2018. This MD&A should be read in conjunction with the Corporation’s audited financial statements as at September 30, 2018 prepared in accordance with the International Financial Reporting Standards (“IFRS”). 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.

Abbreviation	Period
Fiscal 16	October 1, 2015 to September 30, 2016
Q1-17	October 1, 2016 to December 31, 2016
Q2-17	January 1, 2017 to March 31, 2017
Q3-17	April 30, 2017 to June 30, 2017
Q4-17	July 1, 2017 to September 30, 2017
Fiscal 17	October 1, 2016 to September 30, 2017
Q1-18	October 1, 2017 to December 31, 2017
Q2-18	January 1, 2018 to March 31, 2018
Q3-18	April 30, 2018 to June 30, 2018
Q4-18	July 1, 2018 to September 30, 2018
Fiscal 18	October 1, 2017 to September 30, 2018
Fiscal 19	October 1, 2018 to September 30, 2019

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

Midland has an adjusted working capital of \$11,214,039 as of September 30, 2018 (\$11,678,771 as of September 30, 2017) which includes \$1,200,000 of investments in guaranteed investment certificates with expiry dates over 1 year (nil as of September 30, 2017)), which will allow the Corporation to execute its exploration program for at least the next three years (*note: adjusted working capital is a non-IFRS financial performance measure which has no standard definition under IFRS. See section 6: Working Capital*).

On November 22, 2017 and December 5, 2018, the Corporation completed private placement by issuing respectively 1,692,854 and 1,969,638 flow-through shares at \$1.35 for total gross proceeds of \$2,285,354 and \$2,659,012 (see section 5 for details).

On May 3, 2018, 1,522,000 warrants were exercised at \$1.15 for total gross proceeds of \$1,750,300.

The Corporation signed 50%-50% joint venture agreements with Altius Resources Inc. (“Altius”) for the following designated projects: Elrond, Gondor, Helms Deep, Isengard, Minas Tirith, Moria, Shire, Mythril and Fangorn (the “Designated Projects”). On July 13, 2018, the Corporation amended the James Bay strategic alliance (“Alliance”) memorandum of understanding (“MOU”) signed on March 30, 2017 as follows:

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2. OVERALL PERFORMANCE (CONT'D)

- Altius exchanged its 50% interest in the Designated Projects for 461,487 common shares valued at \$507,636, which corresponds to Altius' portion of the accumulated expenditures on the designated projects;
- Altius subscribed 198,386 common shares at \$1.10 which corresponds to Altius' portion of the phase 2 approved exploration budget of 2018;
- Altius will subscribe additional common shares for its portion of future work program on the Designated Projects, at market price;
- If further designated projects are declared, Altius will subscribe additional common shares of the Corporation for its portion of the work programs, at market price;
- All designated projects share require the registration of a 2% net smelter return ("NSR") royalty, 50% 50% to the respective parties ("Alliance Royalty"), with a mutual right of first offer on the sale of any interest in the Alliance Royalty.

The MOU will expire on December 31, 2019, with an option to continue the Alliance for two additional years. The duration of this MOU can be reduced or extended by mutual consent.

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 Kuujjuaq, Nunavik, Quebec. The NMEF will be the operator of the partnership.

The Corporation signed an option agreement with Teck Resources Ltd ("Teck") on September 6, 2013 whereby Teck could have earned, in three options, a maximum interest of 65% in the Patris property. On March 29, 2018, the Corporation received a termination notice for the Patris option agreement.

On April 27, 2017, the Corporation signed an option agreement with IAMGOLD Corporation ("IAMGOLD") whereby IAMGOLD may earn, in three options, a maximum interest of 65% in the Héva property. On November 20, 2018, the Corporation received a termination notice for the Héva option agreement.

As operator, Midland incurred exploration expenditures totalling \$6,019,773 (\$6,243,161 in Fiscal 17), on its properties of which \$1,890,528 was recharged to its partners (\$1,274,505 in Fiscal 17). The operating partners incurred \$704,099 of exploration expenses (\$631,255 in Fiscal 17). Also, the Corporation invested \$337,741 (\$619,147 in Fiscal 17) to complete several property acquisitions in Quebec of which \$35,113 was recharged to its partners (\$100,422 in Fiscal 17).

Selected annual information

	Fiscal 18	Fiscal 17	Fiscal 16
	\$	\$	\$
Project management fees	109,548	96,193	107,423
Loss	(807,530)	(1,214,056)	(807,158)
Loss per share, basic and diluted	(0.01)	(0.02)	(0.01)

	As at September 30,		
	2018	2017	2016
	\$	\$	\$
Total assets	29,736,269	26,477,605	24,456,678

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3. RESULTS OF OPERATIONS

The Corporation reported a loss of \$807,530 in Fiscal 18 compared to \$1,214,056 for Fiscal 17.

Operating expenses are stable at \$1,821,623 for Fiscal 18 compared to \$1,864,707 in Fiscal 17:

- Salaries decreased to \$540,288 (\$584,630 in Fiscal 17). A \$18,387 refund was received in Fiscal 18 relating to a rate adjustment on benefits of Fiscal 17.
- Stock-based compensation (non-cash item) decreased to \$192,395 (\$285,429 in Fiscal 17). 500,000 options were granted in Fiscal 16 at a weighted average exercise price of \$1.10, 695,000 in Fiscal 17 at a weighted average exercise price of \$1.13 and 570,000 in Fiscal 18 at an exercise price of \$0.89. Their fair value was estimated at \$250,000, \$362,250 and \$245,100 respectively. This fair value was accounted for according to its vesting period (up to 18 months) or the period in which the services were rendered. Part of this fair value was recorded in the statement of earnings as stock-based compensation (\$96,951 in Fiscal 16, \$285,429 in Fiscal 17 and \$192,395 in Fiscal 2018) and the other part was capitalized within the deferred exploration expenses (\$16,162 in Fiscal 16, \$164,088 in Fiscal 17 and \$104,646 for Fiscal 18). The options vest over 18 months and it should be noted that the main grant of options occurred in August for Fiscal 16 while it occurred in February for Fiscal 17 and Fiscal 18.
- Impairment of exploration and evaluation assets (non-cash item) increased to \$303,610 (\$232,075 in Fiscal 17) and the explanations can be found in the investing activities section found later in this MD&A.

Interest income increased to \$203,475 (\$169,368 in Fiscal 17) due to gradual increase in the interest rates.

A \$694,070 (\$382,090 in Fiscal 17) 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 November 2017 private placement (November 2016 and March 2017 in Fiscal 17). All exploration work imposed by the November 2016 and March 2017 flow-through financings was completed before September 30, 2017. Also, all the exploration work imposed by the November 2017 flow-through financings was completed before September 30, 2018.

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4. EXPLORATION ACTIVITIES

Deferred exploration expenses Fiscal 18	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end Fiscal 18
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Maritime Cadillac	292,271	739	-	88,024	5,357	-	94,120	2,719	-	-	-	-	96,839	389,110
Laflamme Au	2,202,064	36,663	193,334	9,532	292	11,960	251,781	4,407	-	(30,414)	-	-	225,774	2,427,838
Patris Au	221,844	5,849	-	16,742	-	-	22,591	-	(10,379)	-	-	-	12,212	234,056
Casault Au	963,965	198,895	49,848	1,802,180	173,099	11,296	2,235,318	19,913	(1,117,659)	(221,303)	-	-	916,269	1,880,234
Jouvex Au	412,833	-	-	-	-	-	-	129	-	-	-	-	129	412,962
Heva Au	261,985	5,276	1,615	500	-	-	7,391	8,932	(6,498)	-	-	-	9,825	271,810
Valmond	124,314	-	-	-	-	-	-	-	-	-	-	-	-	124,314
Samson	83,411	31,428	53,820	518	-	-	85,766	99	-	(1,166)	-	-	84,699	168,110
La Peltrie	1,067,584	28,205	62,991	429,008	26,732	17,831	564,767	10,402	(563,739)	(91)	-	-	11,339	1,078,923
Wawagosic	-	54,396	-	-	-	-	54,396	-	-	(21,447)	-	-	32,949	32,949
Adam	131,155	18,779	104,153	1,097	-	28,060	152,089	3,798	-	(20,379)	-	-	135,508	266,663
Mistaouac	-	35,998	191,885	-	-	-	227,883	2,089	-	(5,470)	-	-	224,502	224,502
Turgeon	-	10,469	185,114	-	-	-	195,583	2,089	-	(1,007)	-	-	196,665	196,665
Manthet	-	8,409	-	-	-	-	8,409	-	-	-	-	-	8,409	8,409
Abitibi Gold	203,470	17,065	-	-	-	-	17,065	99	-	(1,347)	-	(134,548)	(118,731)	84,739
Weedon Cu Zn Au	626,897	19,153	-	-	-	-	19,153	1,247	-	-	-	-	20,400	647,297
Gatineau Zn	44,005	4,117	23,480	-	-	-	27,597	-	-	(87)	-	-	27,510	71,515
Bay-James Au	362,595	173,713	-	-	13,775	-	187,488	3,168	-	(35,585)	-	-	155,071	517,666
Eleonore Au	1,723,519	47,161	-	-	292	-	47,453	2,839	-	(3,601)	-	-	46,691	1,770,210
JV Eleonore AU	291,282	190,464	114,711	-	2,633	-	307,808	8,670	(1,440)	(23,105)	-	-	291,933	583,215
Isengard	2,072	67,123	-	-	6,132	-	73,255	-	(36,146)	(2,263)	-	-	34,846	36,918
Minas Tirith	27,966	9,212	-	-	610	-	9,822	-	(966)	(3,111)	-	-	5,745	33,711
Shire	75,404	232,482	51,889	-	16,633	-	301,004	4,750	(65,831)	(88,732)	-	-	151,191	226,595
Elrond	30,943	980	-	-	-	-	980	-	(490)	(27)	-	-	463	31,406
Gondor	5,049	47,201	-	-	4,129	-	51,330	-	(22,307)	(2,648)	-	-	26,375	31,424
Moria	21,223	172,866	21,668	-	19,488	-	214,022	3,193	(47,484)	(67,410)	-	-	102,321	123,544
Helms	124	42,467	-	-	7,351	-	49,818	-	(17,589)	(13,434)	-	-	18,795	18,919
Mythril	-	38,902	-	-	7,679	-	46,581	-	-	(18,366)	-	-	28,215	28,215
Fangorn	-	9,346	-	-	1,643	-	10,989	-	-	(4,332)	-	-	6,657	6,657
Pallas PGE	538,746	-	-	-	-	-	-	1,278	-	-	-	-	1,278	540,024
Willbob Au	2,126,873	536,299	-	33,957	109,080	-	679,336	24,825	-	(206,809)	-	-	497,352	2,624,225
Soissons	-	70,443	-	-	2,580	-	73,023	-	-	(25,741)	-	-	47,282	47,282
Soissons NMEF	-	7,031	-	-	-	-	7,031	-	-	(2,772)	-	-	4,259	4,259
Generation	91,166	(4,137)	-	-	61	-	(4,076)	-	-	(2,780)	-	(194)	(7,050)	84,116
TOTAL	11,932,760	2,116,994	1,054,508	2,381,558	397,566	69,147	6,019,773	104,646	(1,890,528)	(803,427)	-	(134,742)	3,295,722	15,228,482

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4. EXPLORATION ACTIVITIES (CON'T)

Deferred exploration expenses Fiscal 17	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end Fiscal 17
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	236,090	2,380	-	48,313	3,842	-	54,535	1,700	-	(54)	-	-	56,181	292,271
Laflamme Au	1,893,853	23,712	109,332	183,492	5,778	-	322,314	9,692	-	(23,795)	-	-	308,221	2,202,064
Patris Au	221,646	3,486	-	4,827	-	-	8,313	198	(8,313)	-	-	-	198	221,884
Casault Au	352,708	85,689	143,777	1,056,768	48,958	25,523	1,358,610	18,247	(686,997)	(80,708)	-	-	611,257	963,965
Jouvex Au	351,966	2,806	97,369	-	-	20,923	119,695	1,871	(60,549)	(1,553)	-	-	60,867	412,833
Heva Au	157,076	52,441	12,157	300	3,609	35,580	102,897	11,325	(1,193)	(9,310)	-	-	104,909	261,985
Valmond	120,742	3,572	-	-	-	-	3,572	-	-	-	-	-	3,572	124,314
Samson	78,203	4,333	-	518	-	-	4,851	1,379	-	(1,022)	-	-	5,208	83,411
La Peltrie	652,484	54,870	312,312	16,654	-	49,275	428,152	16,409	(23,947)	(10,473)	-	-	415,100	1,067,584
Adam	42,841	31,420	58,410	4,251	-	-	94,081	1,700	-	(7,467)	-	-	88,314	131,155
Abitibi Gold	173,644	23,893	4,050	114	1,376	-	26,627	1,254	-	(861)	-	-	29,826	203,470
Grenville-														
Appalaches														
Weedon Cu Zn Au	523,230	61,136	7,000	-	32,763	-	100,899	4,346	-	(1,578)	-	-	103,667	626,897
Gatineau Zn	29,024	12,381	200	-	-	-	14,981	-	-	-	-	-	14,981	44,005
Bay-James														
Bay-James Au	261,886	92,070	40,700	-	3,889	-	136,659	-	-	(35,950)	-	-	100,709	362,595
Eleonore Au	1,629,303	113,385	-	-	10,650	-	124,035	6,423	-	(36,242)	-	-	94,216	1,723,519
JV Eleonore AU	124,692	202,506	-	533	16,368	-	219,407	18,280	-	(71,097)	-	-	166,590	291,282
JV BJ Altius	-	346,681	59,018	-	24,228	-	429,927	4,328	(214,964)	(56,510)	-	-	162,781	162,781
Québec Labrador														
Ytterby REE	183,583	-	-	-	-	-	-	-	-	-	-	(183,583)	(183,583)	-
Northern Quebec														
Pallas PGE	369,500	60,191	-	474,576	32,084	-	566,851	6,703	(278,542)	(125,766)	-	-	169,246	538,746
Willbob Au	565,271	597,926	-	1,164,421	328,509	-	2,090,856	60,233	-	(589,487)	-	-	1,561,602	2,126,873
Projects generation	74,069	23,436	-	-	-	-	23,436	-	-	(6,339)	-	-	17,097	91,166
TOTAL	8,041,811	1,798,314	844,325	2,954,767	512,054	133,701	6,243,161	164,088	(1,274,505)	(1,058,212)	-	(183,583)	3,890,949	11,932,760

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4. EXPLORATION ACTIVITIES (CON'T)

Expenses Exploration and evaluation Properties	Actual Fiscal 17			Actual Fiscal 18			Budget Fiscal 18			Budget Fiscal 19		
	Midland	Partners	Total									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
100% owned by Midland												
Patris	-	292,255	292,255	12,212	10,379	22,591	-	15,000	15,000	5,000	-	5,000
Heva Au	102,894	71,744	174,638	893	282,303	283,196	-	500,000	500,000	5,000	-	5,000
Valmond	3,572	-	3,572	-	-	-	5,000	-	5,000	5,000	-	5,000
Samson	4,851	-	4,851	85,766	-	85,766	100,000	-	100,000	5,000	-	5,000
Wawagosic	-	-	-	54,396	-	54,396	-	-	-	5,000	-	5,000
Adam	94,081	-	94,081	152,089	-	152,089	100,000	-	100,000	5,000	-	5,000
Mistaouac	-	-	-	227,883	-	227,883	-	-	-	5,000	-	5,000
Turgeon	-	-	-	195,583	-	195,583	-	-	-	5,000	-	5,000
Manthet	-	-	-	8,409	-	8,409	-	-	-	5,000	-	5,000
Abitibi Gold	29,433	-	29,433	17,065	-	17,065	30,000	-	30,000	25,000	-	25,000
Weedon Cu-Zn-Au	100,899	-	100,899	19,153	-	19,153	60,000	-	60,000	50,000	-	50,000
Gatineau Zn	14,981	-	14,981	27,597	-	27,597	5,000	-	5,000	5,000	-	5,000
Baie James Au	136,659	-	136,659	187,488	-	187,488	300,000	-	300,000	200,000	-	200,000
Éléonore Au	124,035	-	124,035	47,453	-	47,453	100,000	-	100,000	100,000	-	100,000
Isengard	2,809	2,810	5,619	37,109	36,146	73,255	-	-	-	5,000	-	5,000
Minas Tirith	37,900	37,900	75,800	8,856	966	9,822	-	-	-	5,000	-	5,000
Shire	98,715	98,715	197,430	235,173	65,831	301,004	300,000	300,000	600,000	5,000	-	5,000
Elrond	41,934	41,934	83,868	490	490	980	-	-	-	-	-	-
Gondor	6,842	6,842	13,684	29,023	22,307	51,330	-	-	-	5,000	-	5,000
Moria	26,639	26,639	53,278	166,538	47,484	214,022	-	-	-	5,000	-	5,000
Helms	124	124	248	32,229	17,589	49,818	-	-	-	-	-	-
Mythril	-	-	-	46,581	-	46,581	-	-	-	2,000,000	-	2,000,000
Fangorn	-	-	-	10,989	-	10,989	-	-	-	5,000	-	5,000
Willbob	2,090,856	-	2,090,856	679,336	-	379,336	2,000,000	-	2,000,000	475,000	-	475,000
Pallas PGE	288,309	278,542	566,851	-	-	-	5,000	-	5,000	5,000	-	5,000
Soissons	-	-	-	73,023	-	73,023	-	-	-	5,000	-	5,000
Génération de projet	23,436	-	23,436	9,765	-	9,765	120,000	-	120,000	30,000	-	30,000
	3,228,969	857,505	4,086,474	2,365,099	292,682	2,657,781	3,125,000	815,000	3,940,000	2,970,000	-	2,970,000
Option, operated by Midland and paid by partner												
La Peltrie	409,164	23,947	457,058	1 028	563,739	564,767	-	500,000	500,000	5,000	125,000	130,000
In joint venture												
Maritime-Cadillac- Agnico-Eagle 51%	54,535	56,761	111,296	94,120	97,888	192,008	100,000	100,000	200,000	50,000	50,000	100,000
Vermillon- Soquem 53.4%	-	-	-	236	270	506	5,000	5,000	10,000	-	-	-
Laflamme Au – Abcourt 27.4%	322,314	-	322,314	251,781	-	251,781	200,000	-	200,000	150,000	-	150,000
Casault – Soquem 50%	673,718	687,591	1,361,309	1,117,659	1,117,659	2,235,318	300,000	300,000	600,000	450,000	450,000	900,000
Jouvex – Soquem 50%	60,549	60,549	121,098	-	-	-	100,000	100,000	200,000	175,000	175,000	350,000
JV Eleonore Osisko 50%	219,407	219,407	438,814	306,368	324,545	630,913	275,000	275,000	550,000	150,000	150,000	300,000
Soissons NMEF 50%	-	-	-	7,031	7,031	14,062	-	-	-	50,000	50,000	100,000
	1,330,523	1,024,308	2,354,831	1,777,195	1,547,393	3,324,588	980,000	780,000	1,760,000	1,025,000	875,000	1,900,000
	4,968,656	1,881,813	6,946,160	4,143,322	2,403,814	6,547,136	4,105,000	2,095,000	6,200,000	4,000,000	1,000,000	5,000,000

4. 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 significant Cu-Au-Mo-Ag discovery on Mythril, James Bay***
- ***Vortex zone extended to 1.5 km long on Casault JV***
- ***New significant gold showings found on Willbob (Ants & Didgeridoo)***
- ***A total of 14,661 metres were drilled during Fiscal 18 (10,357 metres during Fiscal 17). Moreover, an additional 2,850 metres were drilled in October and November 2018.***

ABITIBI

4.1 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.

Exploration work on the property

During the year, two (2) drill holes were completed on Maritime-Cadillac for a total of 1,485.0 metres. This program was testing the possible extension at depth of the gold-bearing zone intersected in hole 141-17-36 on the historic Maritime-Cadillac showing. This drill hole had intersected an interval grading 1.46 g/t Au over 31.6 metres, from 112.80 to 144.40 metres, including 2.2 g/t Au over 15.6 metres at a vertical depth of approximately 100 metres. This zone included several higher-grade sections, namely 4.3 g/t Au over 0.9 metre (124.1 to 125.0 m), 3.4 g/t Au over 1.0 metre (126.0 to 127.0 m), and 5.7 g/t Au over 0.6 metre (135.0 to 135.6 m).

Hole 141-18-38 was completed at a final depth of 654.0 metres. This hole intersected the Maritime-Cadillac zone between 486.3 and 493.0 metres. The zone consists in a felsic-intermediate dyke mineralized with traces to 1% pyrite and arsenopyrite. The best assay results returned 0.83 g/t Au over 7.60 m (485.4 to 493.0 m) including 1.3 g/t Au over 2.0 m and 1.58 g/t Au over 3.30 m (497.2 to 500.5 m).

Hole 141-18-39 was completed during the summer and ended at a depth of 831.0 metres. The best interval returned 1.6 g/t Au over 3.0 metres between 363.7 and 366.7 metres.

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4. EXPLORATION ACTIVITIES (CONT'D)

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

Property Description

In 2009, the Corporation staked claims by map staking about 25 kilometres west of Lebel-sur-Quévillon in the Abitibi region. As at September 30, 2018, the Laflamme property consists of a total of 636 claims covering an area of approximately 33,752 hectares and Midland holds 74.3% of the property.

On August 17, 2009, the Corporation signed an agreement with Aurbec Mines Inc., (previously a subsidiary of North American Palladium Ltd.). As of July 31, 2011, Aurbec had earned its 50% interest in the Laflamme property but no longer contributed in the exploration programs and therefore was diluted. On June 17, 2016, Abcourt Mines Inc. acquired the property following the bankruptcy of Aurbec.

Some claims were dropped in Fiscal 18, therefore the Corporation impaired partially for \$5,874 the exploration property cost (\$6,846 in Fiscal 17).

Exploration work on the property

Three (3) geophysics surveys were completed during the year on the Laflamme. These surveys include an heliborne magnetic survey over the southern block, a ground SQUID-EM survey in the Copernick area and finally an IP-OreVision survey to the west of the NW Comtois zone held by Osisko.

The heliborne magnetic survey identified several lineaments that were interpreted as structural features within the felsic intrusion. The ground SQUID-EM survey covered the ultramafic unit identified east of the Copernick zone. A weak conductor was identified to the east of Copernick on the preliminary data and could be related to weakly connected or veinlets of sulphides. A weak conductor oriented SW-NE has been interpreted to the northeast of Copernick associated with the ultramafic rocks. Finally, the IP-OreVision survey identified several new interesting chargeability anomalies interpreted to be surrounding a small felsic intrusion.

Midland is currently planning a winter drilling program in order to test these new geophysical anomalies near Copernick and NW Comtois.

4.3 Patris (Au), operated by Midland

Property Description

The Patris property is located about 30 kilometres to the north-east of Rouyn-Noranda and as at September 30, 2018 consists in 307 claims covering an area of approximately 13,031 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.

The Corporation signed an option agreement with Teck on September 6, 2013 whereby Teck could have earned, in three options, a maximum interest of 65% in the Patris property. On March 29, 2018, the Corporation received a termination notice for the Patris option agreement.

Exploration work on the property

No exploration work conducted on Patris during Fiscal 18. Midland is currently looking for a new partner for this project.

4. EXPLORATION ACTIVITIES (CONT'D)

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

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, 2018, this property consists in 316 claims covering an area of approximately 17,393 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.

Exploration work on the property

During Fiscal 18, three (3) drilling programs comprising twenty-two (22) drill holes were completed on the Casault, for a total meterage of 8,209.0 metres. These drilling programs resulted in the discovery and the follow-up of a new significant gold-bearing zone named Vortex. This system includes four (4) parallel gold zones, named Vortex 475, 450, 435 and 425. The envelope encompassing these mineralized zones forms a corridor approximately 50 metres wide. The system is now interpreted as a Syenite-Associated Gold system because of the presence of alkaline dykes.

The Vortex zone is a major gold-bearing structure located at about 100 metres north of the regional Sunday Lake deformation zone. It is characterized by a strongly foliated and folded unit of block and lapillis tuff altered with hematite, albite and ankerite. Mineralization consists in finely disseminated pyrite (0.5 to 5%). So far, the best grades are obtained in altered and mineralized breccias within the main Vortex structure.

The most important gold zone identified to date at Vortex, Zone 450, was intersected in all the drill holes, over a strike length of at least 1.5 kilometres and locally down to 600 metres. The zone trends east-west and is steeply dipping to the north and remains open in all directions.

Results 2017-2018 – Vortex Zone 450

CAS-17-92 (Section 628200) Vertical depth : -100 m

- 0.46 g/t Au over 13.5 m ; incl. 2.83 g/t Au over 1.3 m ; incl. 5.52 g/t Au over 0.3 m

CAS-17-93 (Section 628000) Vertical depth : -160 m

- 2.10 g/t Au over 6.7 m ; incl. 6.82 g/t Au over 0.4 m & 5.58 g/t Au over 0.4 m

CAS-17-94 (Section 628100) Vertical depth : -230 m

- 1.91 g/t Au over 7.2 m ; incl. 5.18 g/t Au over 1.4 m ; incl. 7.71 g/t Au over 0.8 m

CAS-17-95 (Section 628300) Vertical depth : -75 m

- 1.30 g/t Au over 23.5 m ; incl. 3.46 g/t Au over 6.0 m ; incl. 23.86 g/t Au over 0.5 m

CAS-17-96 (Section 628500) Vertical depth : -120 m

- 1.38 g/t Au over 26.2 m ; incl. 7.87 g/t Au over 2.2 m ; incl. 14.55 g/t Au over 0.8 m

CAS-18-97 (Section 628400) Vertical depth : -160 m

- No significant results (Faulted Out)

CAS-18-98 (Section 628400) Vertical depth : -240 m

- 0.23 g/t Au over 6.0 m

CAS-18-99 (Section 628300) Vertical depth : -220 m

- 0.56 g/t Au over 12.55 m ; incl. 2.26 g/t Au over 0.75 m

4. EXPLORATION ACTIVITIES (CONT'D)

- CAS-18-100 (Section 628500) Vertical depth : -220 m
- 0.74 g/t Au over 8.8 m ; incl. 2.0 g/t Au over 0.75 m & 1.69 g/t Au over 2.25 m
- CAS-18-101 (Section 628000) Vertical depth : -250 m
- 12.4 g/t Au over 1.05 m
- CAS-18-102 (Section 628600) Vertical depth : -150 m
- Hole abandoned
- CAS-18-103 (Section 628600) Vertical depth : -250 m
- Hole abandoned
- CAS-18-104 (Section 627800) Vertical depth : -170 m
- 0.51 g/t Au over 5.25 m; incl. 3.29 g/t Au over 0.5 m
- CAS-18-105 (Section 627800) Vertical depth : -250 m
- 0.20 g/t Au over 5.7 m
- CAS-18-106 (Section 628700) Vertical depth : -80 m
- 0.35 g/t Au over 0.6 m
- CAS-18-108 (Section 629100) Vertical depth : -80 m
- 0.34 g/t Au over 21.45 m ; incl. 0.98 g/t Au over 2.85 m
- CAS-18-109 (Section 627850) Vertical depth : -600 m
- 0.31 g/t Au over 18.05 m
- CAS-18-110 (Section 627600) Vertical depth : -200 m
- 0.46 g/t Au over 25.7 m ; incl. 1.1 g/t Au over 6.2 m ; incl. 3.8 g/t Au over 1.15 m
- CAS-18-111 (Section 628250) Vertical depth : -525 m
- 0.77 g/t Au over 12.0 m
- CAS-18-112 (Section 628650) Vertical depth : -530 m
- 0.22 g/t Au over 5.55 m

Best Results 2017-2018 – Vortex Zone 475

- CAS-17-92 (Section 628200) Vertical depth : -75 m
- 0.29 g/t Au over 16.7 m ; incl. 1.72 g/t Au over 1.0 m
- CAS-17-93 (Section 628000) Vertical depth : -110 m
- 0.23 g/t Au over 12.85 m ; incl. 1.16 g/t Au over 1.05 m
- CAS-17-94 (Section 628100) Vertical depth : -200 m
- 0.36 g/t Au over 8.0 m ; incl. 2.72 g/t Au over 0.5 m
- CAS-17-96 (Section 628500) Vertical depth : -100 m
- 18.7 g/t Au over 0.5 m
- CAS-18-98 (Section 628400) Vertical depth : -195 m
- 0.44 g/t Au over 1.9 m
- CAS-18-100 (Section 628500) Vertical depth : -200 m
- 0.16 g/t Au over 1.0 m
- CAS-18-101 (Section 628000) Vertical depth : -210 m
- 0.16 g/t Au over 14.25 m

4. EXPLORATION ACTIVITIES (CONT'D)

CAS-18-104 (Section 627800) Vertical depth : -150 m

- 0.23 g/t Au over 18.5 m ; incl. 2.72 g/t Au over 0.5 m

CAS-18-105 (Section 627800) Vertical depth : -225 m

- 0.51 g/t Au over 26.0 m ; incl. 2.09 g/t Au over 2.3 m

CAS-18-109 (Section 627850) Vertical depth : -550 m

- 0.14 g/t Au over 21.0 m

CAS-18-110 (Section 627600) Vertical depth : -170 m

- 0.34 g/t Au over 2.95 m

CAS-18-111 (Section 628250) Vertical depth : -480 m

- 0.18 g/t Au over 12.0 m

CAS-18-112 (Section 628650) Vertical depth : -510 m

- 0.28 g/t Au over 3.1 m

Best Results 2017-2018 – Vortex Zones 435 & 425

CAS-17-93 (Section 628000) Vertical depth : -180 m

- 3.45 g/t Au over 2.8 m ; incl. 5.0 g/t Au over 0.95 m (Zone 435)

CAS-17-93 (Section 628000) Vertical depth : -200 m

- 0.29 g/t Au over 7.3 m (Zone 425)

CAS-17-94 (Section 628100) Vertical depth : -250 m

- 0.34 g/t Au over 10.9 m ; incl. 5.18 g/t Au over 1.4 m ; incl. 7.71 g/t Au over 0.8 m (Zone 435)

CAS-18-110 (Section 627600) Vertical depth : -300 m

- 1.42 g/t Au over 6.2 m (Zone 425)

CAS-18-112 (Section 628650) Vertical depth : -550 m

- 0.71 g/t Au over 7.25 m (Zone 435)

Holes CAS-18-113, 114 and 115 were drilled outside the Vortex zone on other IP-OreVision targets. No significant results were obtained

A new drilling program (8 ddh; 2,850 m) is commencing in order to test the eastern and western extensions of the Vortex zone as well as a newly identified potential area located about 1 kilometre north of Vortex.

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

Property Description

The Jouvex property is located about 50 kilometres to the southwest of Matagami and as at September 30, 2018 is composed of 268 claims covering an area of approximately 14,956 hectares. Some claims were dropped therefore the Corporation impaired partially for \$3,303 (\$7,707 in Fiscal 17).

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

Exploration work on the property

No exploration work conducted on Jouvex during Fiscal 18. Midland is currently preparing a drilling program for next winter in order to test the best remaining targets on the property.

4. EXPLORATION ACTIVITIES (CONT'D)

4.6 Heva (Au), operated by Midland

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

During Fiscal 18, IAMGOLD completed a drilling program consisting in five (5) holes totalling 1,390 metres. This program tested the best structural, geological and geophysical (IP-Mag) targets identified during the compilation phase.

Unfortunately, no significant results were obtained but some small anomalous intervals were intersected. The best result returned 2.28 g/t Au over 1.15 metre in hole HV-17-04 and 0.97 g/t Au over 2.30 metres in hole HV-17-03.

4.7 Valmond (Au), operated by Midland

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, 2018, this property consists in 80 claims covering an area of approximately 4,453 hectares. Some claims were dropped therefore the Corporation impaired partially for \$1,831 in Fiscal 17.

Exploration work on the property

A ground magnetic survey was completed on Valmond during Q2-18. This survey covered the NW extension of the main showing. No significant magnetic feature was identified.

4.8 Samson Ni-Cu-PGE operated by Midland

Property Description

As at September 30, 2018, the Samson property consists of 264 claims covering a surface area of about 14,654 hectares about 50 kilometres west of the town of Matagami, in Abitibi. Some claims were dropped therefore the Corporation impaired partially for \$1,332 in Fiscal 18.

Exploration work on the property

A ground Armit-EM survey was completed on three grids during Q2-18 in order to cover three structurally complex areas having weak airborne conductors. One weak conductor has been identified on each of the three grids.

4.9 La Peltrie (Au), operated by Midland

Property Description

As at September 2018, the La Peltrie property comprises 419 claims covering a surface area of about 23,110 hectares and encompasses possible subsidiary faults to the south of the regional Lower Detour Fault over a distance of more than 10 kilometres.

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4. EXPLORATION ACTIVITIES (CONT'D)

On August 24, 2017, the Corporation acquired 4 claims from Globex Mining Enterprises Inc. ("Globex") by granting a 1% Gross Metal royalty to Globex.

On August 29, 2017, the Corporation signed an option agreement (amended August 3, 2018) with Niobay Metals Inc. ("Niobay") whereby Niobay may earn, in two options, a maximum interest of 65% in the La Peltrie property, by fulfilling the following conditions:

	Payments in cash	Work
	\$	\$
First Option for a 50% initial interest		
Upon signature (completed, 200,000 shares of Niobay received, valued at \$30,000)	30,000	-
On or before December 31, 2017 (completed)	-	500,000
On or before January 31, 2019	30,000	-
On or before August 31, 2019	50,000	400,000
On or before August 31, 2020	70,000	600,000
On or before August 31, 2021	70,000	1,500,000
	250,000	3,000,000

Following the initial earn-in of its 50% interest, NioBay may earn an additional tranche of 15% interest for an undivided 65% interest in the Properties, by producing a Preliminary Economic Study on or before August 31, 2023.

The Corporation is the operator.

Exploration work on the property

During Q1-18, a drilling program comprising seven (7) drill holes totalling 1,881.0 metres was completed. This program tested the best IP-OreVision targets identified on the West and Central grids.

The best results of this campaign come from two drill holes spaced about 300 metres apart, which tested the gold-bearing iron formation. Drill holes LAP-17-04 and LAP-17-05 yielded 14 gold values above 0.1 g/t Au with gold intersections ranging from 0.10 g/t Au over 2.0 metres to a maximum of 1.23 g/t Au over 2.50 metres. The auriferous mineralization is hosted by semi-massive to massive pyrrhotite-bearing sulphide horizons between 10 and 60 metres thick. *(Note that true thicknesses cannot be determined with the information available at this time; intervals are therefore reported in core length).* The remaining drill holes in this campaign, drilled to test areas other than the iron formation, explained the IP anomalies with the presence of sulphides but no significant values were obtained.

The massive sulphides occur near the contact between calc-alkaline felsic tuffs (F1-type) to the south and andesites to the north. The geochemical signature of these felsic tuffs is very similar to that of the felsic tuff and rhyolite sequences that host the Bousquet-LaRonde volcanogenic gold deposits in the Southern Abitibi. Moreover, the pyrrhotite-bearing massive sulphides show enrichments in gold, and also in silver and lead, near the contact with andesites, indicating the presence of a particularly favourable proximal exhalative horizon in this location. Integration of all the results of this campaign has led to the identification of a high-priority exploration target at the intersection between an interpreted synvolcanic fault and the favourable felsic tuff-andesite contact. This target remains to be drill-tested.

An interpretation of the VTEM survey was completed by consultant Marc Boivin. He proposed ten (10) targets to be followed-up with TDEM ground surveys. Following internal discussions, one grid (VTEM LAP-1-2-4) was selected and extended for a follow-up. The TDEM survey was completed during December and a strong conductor was detected.

4. EXPLORATION ACTIVITIES (CONT'D)

4.10 Wawagasic (Au), operated by Midland

Property Description

The Wawagasic property is wholly owned by Midland and is located 30 kilometres east of Detour Lake. As at September 30, 2018, it consists of 81 claims covering a surface area of about 4,493 hectares in the Abitibi region of Quebec. Some claims were dropped therefore the Corporation impaired partially for \$2,143 in Fiscal 18.

Exploration work on the property

An heliborne High-Resolution magnetic survey was completed during the summer 2018. Several structural lineaments were interpreted.

4.11 Adam (Cu-Au), operated by Midland

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, 2018, it consists of 205 claims covering a surface area of about 11,397 hectares in the Abitibi region of Quebec. Some claims were dropped therefore the Corporation impaired partially for \$2,632 in Fiscal 18.

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

During Q2-18, an IP-OreVision survey was completed on Adam. The three grids covered the southern portion of the property where historical till gold anomalies had been identified. The survey also targeted some unexplained VTEM conductors. Two strong IP- chargeability anomalies were identified and represent new drilling targets in the southern portion of the main block east of the B26 deposit owned by SOQUEM.

During Q4-18, two (2) grids were covered with ground TDEM surveys. One strong conductor was identified on Grid A while no conductor was detected on Grid B.

4.12 Mistaouac (Au), operated by Midland

Property Description

The Mistaouac property is wholly owned by Midland and is located about 75 kilometres to the south-west of Matagami. As at September 30, 2018, it consists of 390 claims covering a surface area of about 20,023 hectares in the Abitibi region of Quebec. Some claims were dropped therefore the Corporation impaired partially for \$1,253 in Fiscal 18.

Exploration work on the property

An important VTEM survey was completed over the Mistaouac and Turgeon properties located in the vicinity of the Casa Berardi mine. Some new conductors have been identified on the Mistaouac West survey. For the main Mistaouac block, the VTEM detected almost the same anomalies as the previous Input surveys.

4. EXPLORATION ACTIVITIES (CONT'D)

4.13 Turgeon (Au), operated by Midland

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, 2018, it consists of 246 claims covering a surface area of about 13,786 hectares in the Abitibi region of Quebec.

Exploration work on the property

An important VTEM survey was completed over the Mistaouac and Turgeon properties located in the vicinity of the Casa Berardi mine. For the Turgeon block, a few new conductors were identified.

4.14 Manthet (Au), operated by Midland

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, 2018, it consists of 7 claims covering a surface area of about 386 hectares in the Abitibi region of Quebec.

Exploration work on the property

No exploration work conducted during Fiscal 18.

4.15 Abitibi Gold (Au) operated by Midland

Property Description and exploration work on the property

As at September 2018, the Abitibi Gold property comprises 17 claims covering a surface area of about 943 hectares. Some projects included in Abitibi Gold were dropped therefore the Corporation wrote off \$264,944 during Fiscal 18 (\$130,396 in acquisition costs and \$134,548 in exploration work).

On May 28, 2018, the Corporation signed a letter of intent, formalized by a definitive agreement signed on July 16, 2018, whereby it sold 17 claims for \$8,000 cash and a 1% NSR royalty.

Exploration work on the property

No exploration work conducted during Fiscal 18.

GRENVILLE-APPALACHES

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

Property Description

This property is located in the Eastern Townships, about 120 km south of Quebec City and as at September 30, 2018 is comprised of 153 claims covering an approximate area of 7 859 hectares. Some claims are subject to NSR royalties of:

- 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 \$7,091 in Fiscal 17 the exploration property cost.

4. EXPLORATION ACTIVITIES (CONT'D)

Exploration work on the property

A till geochemical survey was completed during Q1-18 to the north-east of the Weedon mine.

The till survey identified a new unexplained gold and zinc anomaly to the northwest of the Lingwick deposit. A field follow-up program is in preparation for November-December.

4.17 Gatineau Zinc (Zn), operated by Midland

Property Description

Midland owns a 100% interest in a land position for zinc, including as at September 30, 2018, 168 claims covering 9,883 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 \$3,808 in Fiscal 17.

Exploration work on the property

A gravimetric survey was completed during Q2-18 on the Bouchette property. Results show two nice anomalies coincident with dolomitic marbles to the SE of the Bouchette showing and also further to the east.

4.18 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, 2018 of 16 contiguous claims covering a total surface area of 934 hectares in joint venture 53.4% SOQUEM/ 46.6% Midland. Some claims are subject to a 1% NSR royalty and the Corporation can buy it back the royalty for \$500,000 per 0.5% tranche for a total of \$1,000,000.

Exploration work on the property

No exploration work conducted on Vermillon for Fiscal 18.

JAMES BAY

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

Property Description

On June 13, 2016, a joint-venture agreement (50%-50%) was signed with Osisko Exploration James Bay Inc. ("Osisko") whereby Osisko and the Corporation will cooperate and combine their efforts to explore the JV Eleonore property recently staked by the two corporations. The property is located 12 kilometres southeast and northwest of Goldcorp's Eleonore deposit. The property regroups several properties for a total of 246 claims covering a surface area of about 12,868 hectares.

Each partner obtained a 0.5% NSR royalty as a mutual consideration for the constitution of the joint-venture.

Exploration work on the property

During Q3-18 the IP survey was completed and covered an area where a field of copper-rich, glacially transported, sub-angular diorite boulders were discovered (see the September 26, 2017 press release). Four (4) diorite boulders sampled in 2016 and 2017 returned 8.28% Cu, 6.85% Cu, 4.54% Cu and 3.45% Cu in grab samples (*note that grab samples are selective by nature and values reported may not be representative of mineralized zones*). The Cu±Mo±Ag±Bi geochemical signature of the boulders and the dioritic host rock suggest a porphyry copper system. These boulders are all found within a 100-meter diameter zone, which suggests a local source.

4. EXPLORATION ACTIVITIES (CONT'D)

The IP survey revealed two strong zones of chargeability anomalies that could indicate areas of disseminated copper or iron sulfides within the bedrock. The first strong IP chargeability anomaly is located less than 100 metres north-east (up-ice) from the copper-bearing boulder field and is a prime target for follow-up. The second strong IP chargeability anomaly, located about 600 metres north of the boulders, is also very interesting because it is also associated with a preeminent magnetic high and an electromagnetic anomaly that were delineated by a historical Mag-EM airborne survey performed in the area. Such a combination of magnetic and chargeability anomalies is typical of the copper-rich core zones of porphyry copper deposits, which contain both sulfides and magnetite.

Trenching and channeling of the IP anomaly closest to the boulder field has revealed a significant copper-bearing mineralized horizon in TR-004. Channels yielded the following significant values: (note that all thicknesses reported in this press release are apparent thicknesses; true thicknesses cannot be determined at this time)

- 2.10% Cu and 44.1 g/t Ag over 0.9 m (TR-004-G2)
- 1.33% Cu and 81.2 g/t Ag over 2.0m, including 2.47% Cu and 159 g/t Ag over 1.0m (TR-004-R3)
- 0.892% Cu and 10.7 g/t Ag over 0.5 m (TR-004-G3)

Copper mineralization in TR-004 is hosted in a diorite that is strongly altered in epidote and mineralized in chalcopyrite-pyrite. It is very similar to the mineralization found in the nearby boulders.

Trenches TR-007 and TR-008, located about 750 meters northwest of TR-004, also exposed a very significant porphyry-style quartz stockwork in a diorite/granodiorite with strong chlorite, K-feldspar, hematite, pyrite and epidote alterations. Anomalous copper grades (up to 0.05% Cu) were also found in these trenches. The trenches targeted an IP anomaly but could not explain it because of thick overburden.

In addition, a grab sample of a coarse-grained granodiorite outcrop located about 1 km southeast of TR-004 also yielded 0.31% Cu, 0.32 g/t Au and 5.6 g/t Ag, hinting at the presence of additional copper mineralization as well as gold in that area. Finally, an outcrop of a felsic dyke located about 800 km meters southeast of TR-004 with massive molybdenite clusters also yielded >1 % Mo in a grab sample.

4.20 JV JB Altius (Au), operated by Midland

Properties description

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

The following projects were identified as designated projects (with number of claims and hectares disclosed as at September 30, 2018): Elrond (109 claims on 5 649 hectares), Gondor (41 claims on 2 107 hectares), Helms Deep (70 on 3,699 hectares), Isengard (132 claims on 6 758 hectares), Minas Tirith (152 claims on 8,110 hectares), Moria (104 claims on 5,495 hectares), Shire (573 claims on 30,474 hectares), Mythril (66 claims on 3,378 hectares) et Fangorn (16 claims on 816 hectares).

On July 13, 2018, the Corporation amended, subject to the Exchange approval, the James Bay strategic alliance ("Alliance") memorandum of understanding ("MOU") signed on March 30, 2017 as follows:

- Altius exchanged its 50% interest in the Designated Projects for 461,487 common shares valued at \$507,636, which corresponds to Altius' portion of the accumulated expenditures on the designated projects;
- Altius subscribed 198,386 common shares at \$1.10 which corresponds to Altius' portion of the phase 2 approved exploration budget of 2018;

4. EXPLORATION ACTIVITIES (CONT'D)

- Altius will subscribe additional common shares for its portion of future work program on the Designated Projects, at market price;
- If further designated projects are declared, Altius will subscribe additional common shares of the Corporation for its portion of the work programs, at market price;
- All designated projects share require the registration of a 2% NSR, 50% 50% to the respective parties ("Alliance Royalty"), with a mutual right of first offer on the sale of any interest in the Alliance Royalty.

The MOU will expire on December 31, 2019, with an option to continue the Alliance for two additional years. The duration of this MOU can be reduced or extended by mutual consent.

Exploration work on the properties

During Fiscal 18, Midland completed prospecting over a new generation of reccy targets that were generated earlier this year. Prospecting was carried out on Mythril (formerly Lothlorien), Fangorn, Hel's Deep, Minas Tirith while trenching and channel sampling was completed on Shire and Moria.

The main highlight of this project is the discovery of a new significant Cu-Au-Mo-Ag mineralized system called Mythril. The mineralized system is interpreted based on outcrops and locally sourced, angular float fields. It is interpreted to be of the "Cu-Au-Mo porphyry" type. The full dimensions of the mineralization are not known yet. Midland significantly increased its land position around the discovery and plans to start geophysical surveys in the coming weeks.

September 2018 Phase of Work

The Cu-Au-Mo-Ag mineralized system is at least 700 meters long on surface, oriented east-west, open in both directions.

Highlights

- Fifty-four (54) new high-grade Cu-Au-Mo-Ag mineralized floats; average values of 2.61% Cu, 1.25 g/t Au, 0.13% Mo, 28.7 g/t Ag over the 54 floats (grab samples); maximum values of: 13.2% Cu; 16.8 g/t Au; 0.58% Mo; 112 g/t Ag. Float are concentrated in five major fields. Most of the float are angular and are interpreted to be locally derived (<100m transport distance).
- Channel result of 2.74% Cu, 0.44 g/t Au, 0.06% Mo, and 24.3 g/t Ag over 2.7 meters, including 4.52% Cu, 0.65 g/t Au, 0.1% Mo, and 40.1 g/t Ag over 1.5 meters on the Celeborn showing. Mineralization open in all directions.
- New "Arwen" Cu-Au-Mo-Ag mineralized float field, that returned high-grade gold values, with up to 16.8 g/t Au. It is the easternmost float field.
- New "Legolas" showing with grab sample of 4.89% Cu, 1.5 g/t Au, 46 g/t Ag.

October 2018 Phase of Work

The copper-gold-molybdenum-silver mineralized system is now identified over 2 kilometers strike length on surface (E-W), up from 0.7 kilometers in September, and is still open in both directions. The mineralized system is interpreted based on surface Cu-Au-Mo-Ag showings. The full dimensions of the mineralization are not known yet.

Highlights

- Discovery of several new Cu-Au-Mo-Ag showings and one new Mo-only showing (3.04% Mo), extending the mineralized system from 0.7 kilometers to more than 2 kilometers strike length, open east and west.

4. EXPLORATION ACTIVITIES (CONT'D)

- Average values over 45 mineralized (>0.1 % Cu) grab samples from these new showings are: 2.04 % Cu, 0.36 g/t Au, 0.11 % Mo, 17.6 g/t Ag (2.85 % Cu Eq*). Maximum values of : 12.65 % Cu; 1.7 % Mo ; 1.51 g/t Au ; 69.8 g/t Ag.
- Fifty-six (56) new Cu-Au-Mo-Ag mineralized floats (>0.1 % Cu) discovered in the eastern and western extensions of the system. Average values of 1.33 % Cu, 0.52 g/t Au, 0.09 % Mo, 13.3 g/t Ag (2.12 % Cu Eq*) over 56 floats (grab samples). Maximum values of : 16.95 % Cu; 4.91 g/t Au; 0.44 % Mo; 49.4 g/t Ag. Most of the floats are angular and are interpreted to be locally derived (<100m transport distance).

4.21 Éléonore Gold Properties (Au) operated by Midland

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 Goldcorp and one southeast 30 km further along strike. It encompasses a group of 258 claims covering an area of approximately 13,532 hectares as at September 30, 2018.

Exploration work on the property

During Q4-17 a prospecting program was completed on the Eleonore Centre property. No significant result was obtained during this program.

4.22 James Bay Gold (Au), operated by Midland

Property Description

Midland owns a 100% interest on 321 claims as at September 30, 2018 covering 15,587 hectares in the James Bay Area. Some claims were dropped therefore the Corporation impaired partially for \$1,657 the exploration property cost (\$12,002 in Fiscal 17).

Exploration work on the property

Last fall on the Lasalle property, a grab sample of a silicified and foliated amphibolite containing about 1% pyrite, located in a 100 meters thick shear zone, had returned 22.6 g/t Au, as well as strongly anomalous copper, bismuth and molybdenum (*note that grab samples are selective by nature and values reported may not be representative of mineralized zones*). Along the same shear zone, 750 meters east, another grab sample of foliated amphibolite had returned 7.03 g/t Au and anomalous copper and bismuth. Finally, a further 800 meters east in the same shear zone, a grab sample of paragneiss with pyrite, galena and sphalerite stringers had returned 2.35 g/t Au, 105 g/t Ag, 3.32% Pb and 5.53% Zn, along with strongly anomalous bismuth and antimony. The shear zone that hosts these showings is located at the contact between metavolcanic and metasedimentary rocks, is about 100 meters thick and is now interpreted to be more than 8 kilometers long.

On Galinée, prospection focussed on the northeastern part of the block, where interesting gold values were obtained in 2015 (3.63 g/t Au; 1.07 g/t Au; 0.76 g/t Au). In the same area, a shear zone about 3 meters wide containing quartz-tourmaline veins with pyrite stringers yielded gold values of 14.85 g/t Au, 4.35 g/t Au and 0.67 g/t Au ("Elsa" showing) in grab samples (*note that grab samples are selective by nature and values reported are not representative of mineralized zones*). This mineral assemblage and mineralization style are typical of orogenic gold deposits. Four (4) of seven (7) samples collected in the shear zone yielded more than 0.1 g/t Au. The zone is still open to the east and west.

4. EXPLORATION ACTIVITIES (CONT'D)

On Lasalle, the trenches mainly targeted a silicified and foliated amphibolite that had returned 22.6 g/t Au in a grab sample in 2017, as well as strongly anomalous copper, bismuth and molybdenum. Two channels separated by 3 meters yielded 3.08 g/t Au / 1.25 m, and 1.87 g/t Au / 1.25 m (note that all thicknesses reported in this press release are apparent thicknesses; true thicknesses cannot be determined at this time). The gold-bearing intervals occur in a one-meter wide sheared and altered zone within amphibolites, with disseminated chalcopyrite, pyrrhotite and pyrite. Some trenches also targeted a strong gold grain anomaly in till, but did not return any significant results.

NORTHERN QUEBEC

4.23 Pallas (PGE), operated by Midland

Property Description

As at September 30, 2018, the property totals 576 claims covering approximately 26,139 hectares in the Labrador Trough («Trough») some 80 kilometres west of Kuujjuak, Québec. Some claims were dropped therefore the Corporation impaired partially for \$5,923 the exploration property cost in Fiscal 17.

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

Exploration work on the property

No exploration work conducted on Pallas during Fiscal 18.

4.24 Willbob (Au), operated by Midland

Property Description

The Willbob property in the Labrador Trough consists of 1,498 claims covering about 68,789 hectares as of September 30, 2018, and is located approximately 66 kilometres west-southwest of Kuujjuak (Québec), near and in a geological environment similar to Midland's Pallas Project which is currently being worked in partnership with JOGMEC.

On October 2, 2017, the Corporation signed an acquisition agreement whereby it acquired 8 claims for a \$10,000 cash payment and a 2% NSR royalty of which 1% can be bought back for a payment of \$1,000,000.

Exploration work on the property

During Q1-18, Midland received the complete and final assay results of the fall prospecting program and released the results of the drilling campaign.

Prospecting Highlights

The Wayne showing was first identified in August 2017, with two grab samples separated by about 200 meters that returned 32.7 g/t Au and 2.47 g/t Au, in an area that was not explored previously. First, an elevated value of 250.10 g/t Au was obtained from a single, isolated sample located about 225 meters south-east of the initial 32.7 g/t Au value. Re-sampling of the original 32.7 g/t Au sample yielded 6.54 g/t Au, while values of 40.10 g/t Au, 24.80 g/t Au, 1.94 g/t Au, 1.81 g/t Au, 1.56 g/t Au were obtained from grab samples collected in a 10 meters radius around the original sample. Another grab sample collected about 25 meters south also yielded 1.15 g/t Au. Mineralisation in the Wayne showing area consists in a quartz diorite that contains numerous mm- to cm-thick quartz veinlets; the veinlets and the wallrock are mineralized in pyrrhotite with usually no arsenopyrite. Ten (10) samples out of 29 samples collected from the Wayne area yielded more than 1 g/t Au, with three additional ones yielding between 0.1 and 1 g/t Au.

4. EXPLORATION ACTIVITIES (CONT'D)

The new Didgeridoo gold zone is located about 15 kilometers southeast of Osisko/Barrick's Pump Pad Ridge gold showing, and about 70 kilometers south of Midland's Golden Tooth zone. It is part of a new claim block staked in January 2017. Channel samples on Didgeridoo yielded 1.37 g/t Au / 6.1 m. Several grab samples collected north and south of this channel along the zone also yielded significant gold values: 2.77 g/t Au, 1.82 g/t Au and 0.62 g/t Au located between 15 and 40 meters north of the channel, and 2.35 g/t Au, 1.35 g/t Au, 1.235 g/t Au, 1.20 g/t Au and 0.63 g/t Au from 15 to 25 meters south. *Note that grab samples are selective by nature and values reported may not be representative of mineralized zones.* The Didgeridoo zone appears to be at least 60 meters long by 5 to 10 meters wide, and is open to the south. It is a shear zone with abundant fault-filling quartz-calcite veins and veinlets, along with minor disseminated pyrrhotite within the veins and in the strongly chloritized host gabbro. Six (6) grab samples out of 19 at Didgeridoo yielded more than 1 g/t Au, and four (4) samples also yielded between 0.1 and 1.0 g/t Au. Following the discovery, Midland acquired 8 adjacent claims that contain an historical gold showing that returned up to 2.8 g/t Au in grab sampling, located on-strike about 500 meters northwest of Didgeridoo.

Several additional gold showings were also discovered in the Fall 2017 campaign and include (grab samples): the Cross Lake Showing (8.82 g/t Au, 39.20 g/t Ag; 1.28 g/t Au; 1.03 g/t Au), the Nak showing (6.26 g/t Au), the Lac H showing (1.75 g/t Au) and the West Smokey Bear showing (2.35 g/t Au; 2.21 g/t Au; 2.16 g/t Au; 1.23 g/t Au).

Highlights of the 2017 drilling campaign

The objective of the 2017 drilling campaign was primarily to test several arsenopyrite-bearing gold showings within shear zones, found in the northern corner of the project (Golden Tooth, Polar Bear, GTN, Kuni and Kuurok showings). A total of ten (10) holes totalling 3116 meters tested these shear zones. One (1) hole 189 meters deep tested the quartz-ankerite brittle veins and breccias of the Sunshine showing. Three (3) more holes also tested the Stars gold-bearing volcanogenic massive sulfide prospect at a very shallow depth (less than 25m vertical depth), for a total of 186 meters.

Drillhole WB-17-18 tested the Sunshine showing (up to 7.16 g/t Au in surface grab sampling in 2016). Sunshine represents a different mineralization style compared to the arsenopyrite-bearing shear zones mentioned previously; it contains no arsenopyrite and is hosted within brittle structures and breccias instead of ductile-brittle shears. WB-17-18 intersected three gold-bearing intervals: 36.40 g/t Au / 0.50 m, 1.99 g/t Au / 0.45 m, and 0.50 g/t Au / 1.05 m, all found between 96.35 and 107.55 meters. *Unless otherwise stated, all drill intersections reported in this report are apparent thicknesses; true thicknesses cannot be determined at this time for most intersections.* Mineralization consists in a non-sheared, altered diorite containing un-mineralized quartz veins, with pyrite and pyrrhotite in the wallrock of the veins. Hole WB-17-18 confirms that the Sunshine showing is a newly recognized mineralization style that has the potential for high gold grades. The mineralized zone intersected in WB-17-18 is still open in all directions.

Holes WB-17-09, 10 and 11 tested the extensions of the Golden Tooth gold-arsenopyrite shear zone that returned up to 3.1 g /t Au / 1.7 m in 2016 drilling. All three holes successfully intersected the zone. Hole WB-17-11 tested the zone on a section located 100m northwest of WB-16-05, and yielded 2.23 g/t Au / 1.25 m (0.91 m true width). Hole WB-17-09 tested the southwestern extension of the zone at depth, and returned 0.422 g/t Au / 2.15 m (1.32 m true width) between 280.85 and 283 meters. Finally, hole WB-17-10 tested the zone on a section 100 meters southeast of WB-16-07; it yielded 0.81 g/t Au / 1.95 m (1.43 m true width). The Golden Tooth zone was demonstrated to be at least 250 meters long on surface, continuous over more than 300 meters downdip, and is still open in all directions. Field and core observations indicate it is a classic, orogenic-style, gold-arsenopyrite shear zone, typical of many major gold deposits worldwide.

4. EXPLORATION ACTIVITIES (CONT'D)

Hole WB-17-13 tested the Kuurok arsenopyrite-bearing shear zone (up to 14.5 g/t Au in grab sample); it yielded 3.50 g/t Au / 0.35 m. In the Polar Bear area, hole WB-17-14 intersected an arsenopyrite-bearing shear zone near a diorite/mudstone contact that yielded 0.73 g/t Au / 2.7 m. In the Kuni area, numerous quartz-arsenopyrite tension veins scattered over tens of meters yielded 1.82 g/t Au / 0.55 m, 2.54 g/t Au / 0.35 m meters as well as many weakly anomalous Au values.

Holes WB-17-20, 21 and 22 tested the Stars gold-bearing massive sulfide prospect at a very shallow depth (maximum of 25 meters vertical depth). Holes WB-17-21 and 22 were drilled from the same drill setup but at different angles. Both holes intersected the massive sulfide lens. WB-17-21 yielded 0.40 g/t Au, 0.79% Cu and 0.046% Co / 1.9 m, in pyrrhotite-rich massive sulfides. WB-17-22 yielded 0.49 g/t Au, 0.59% Cu and 0.042% Co / 4.55 m, including 2.56 g/t Au, 0.51% Cu and 0.153% Co over 0.45 m in pyrite-rich massive sulfides. A section of sulfides-rich black shales further down also yielded 0.28 g/t Au / 5.65 m. Hole WB-17-20, drilled on a section 25 meters to the southeast, narrowly missed the massive sulfide lens because of a surface erosion feature.

Summer 2018 program

During Q3-18, Midland completed a new prospecting on Willbob including channel sampling program of the Didgeridoo and Ants showings.

Didgeridoo Zone

Channel sampling conducted on the Didgeridoo Zone returned several gold results including an interval grading 2.30 g/t Au over 8.95 metres, including 3.56 g/t Au over 3.15 metres. This channel sample is located at the northwestern edge of trench DJ-05; the zone thus remains open to the northwest. *(Note that true thicknesses of the channels cannot be determined at this time with the information available).*

The Didgeridoo Zone is located in the south part of the Willbob project, approximately 15 km southeast of the main gold showings found on the Kan project held by Osisko Mining and currently optioned by Barrick Gold. The Didgeridoo Zone consists of a 5 to 10-metre-wide shear zone trending NW-SE that hosts abundant fault-filling quartz-calcite veins, occurring in gabbros and quartz diorites. Up to six (6) occurrences of visible gold were observed within this zone, which was stripped over a distance of approximately 100 metres in length and which remains open at both ends.

Best results – 2018 channel sampling – Didgeridoo Zone

Channel DJ-05: 2.30 g/t Au over 8.95 m incl. 3.56 g/t Au over 3.15 m *(open to the NW)*

Channel DJ-02: 4.71 g/t Au over 2.90 m incl. 9.30 g/t Au over 1.30 m

Channel DJ-01: 1.67 g/t Au over 8.80 m *(extension of the 2017 channel)*

Channel DJ-04: 1.45 g/t Au over 6.70 m

Several other new promising results on Willbob

The prospecting campaign has also revealed a new gold-bearing zone (“Ants”), located near the junction between the Mélézes and Caniapiscau rivers. The Ants zone occurs as disseminated pyrrhotite-chalcopyrite and minor quartz veins in a strongly chloritized and ankeritized quartz diorite. The mineralized zone is observed on outcrop to be 70 meters long and 5 to 25 meters wide and is open to the east. A channel cut in the western part of the zone returned 0.81 g/t Au / 5.8 m, including 1.48 g/t Au / 2.8 m. Of the fourteen (14) grab samples collected on the zone, eleven (11) returned more than 0.1 g/t Au, and seven (7) returned more than 0.5 g/t Au, with a maximum of 1.8 g/t Au. The average grade of the grab samples is 0.66 g/t Au. Another grab sample of a strongly altered diorite with disseminated pyrrhotite, collected about 100 meters east of the zone, also yielded 4.27 g/t Au. It could represent a higher-grade eastern extension of the zone.

4. EXPLORATION ACTIVITIES (CONT'D)

The Wayne showing is located in the northern part of the project and was found during the 2017 prospection campaign. Several high-grade gold values were found in grab samples, including 40.1 g/t Au, 32.7 g/t Au, 24.8 g/t Au and 6.5 g/t Au, as well as several lower grade values between 1 and 2 g/t Au. The Wayne showing was trenched and channeled in 2018. Many gold-bearing intervals were found in channel sampling: 2.70 g/t Au / 0.7 m, 1.76 g/t Au / 0.5 m, 1.37 g/t Au / 1.4 m, 1.34 g/t Au / 0.7 m, 0.84 g/t Au / 1.4 m, 0.59 g/t Au / 0.7 m and 0.56 g/t Au / 0.5 m. Mineralization at Wayne occurs as tension quartz veins and fractures and with strong chlorite-ankerite-pyrrhotite alteration of the host quartz diorite.

A grab sample of a 5 cm thick quartz-galena tension vein about 250 meters southeast of the Wayne showing yielded **140.5 g/t Au** ("Janet" showing). The quartz diorite wallrock, mineralized in pyrrhotite-arsenopyrite, also returned 1.06 g/t Au in a grab sample. This vein is located about 25 meters west of another similar vein that returned 250.1 g/t Au in 2017.

The new "Roméo" showing is located about 4 km west of the Wayne showing, in an area that was not previously explored. It is a 50 cm thick quartz vein within a quartz diorite mineralized in pyrrhotite. The vein returned 3.15 g/t Au while the host diorite yielded 1.94 g/t Au in grab samples.

Finally, the Lac H showing (1.75 g/t Au in a 2017 grab sample) was revisited and manually trenched. Further grab sampling revealed the following gold grades: 4.25 g/t Au, 3.81 g/t Au, 2.05 g/t Au, 1.37 g/t Au and 0.51 g/t Au. The Lac H showing occurs as tension fractures and quartz veinlets with pyrrhotite mineralization within a quartz diorite. (*Note that gold values obtained from selected grab samples during this program are not representative of mineralized zones*).

During October 2018, Midland returned for an additional channel sampling program on Ants. Final results are still pending.

4.25 Soissons (Ni-Cu-Co), operated by Midland

Exploration work on the property

During Q2-18, Midland announced the acquisition by map staking of a new, 100% owned, nickel-copper-cobalt project in the Churchill geological province, Quebec. This new project consists of a total of 175 claims covering about 8,226 hectares and is located approximately 150 kilometers southeast of the town of Kuujuaq, Quebec.

The new project, called Soissons, covers a series of Ni-Cu-Co showings associated with two distinct troctolite to olivine-bearing gabbrointrusions (Soissons intrusive suite). Work done in 2000 and 2001 by previous explorers revealed the following Ni-Cu-Co grades in grab samples: 1.22% Ni, 0.5% Cu, 0.06% Co; 1.03% Ni, 0.47% Cu, 0.05% Co (Papavoine showing); 0.63% Ni, 0.15% Cu, 0.04% Co (A14-1W showing); 0.67% Ni, 0.43% Cu, 0.05% Co (A14-1E showing); 0.30% Ni, 0.29% Cu, 0.03% Co (A17-1 showing) (note that grab samples are selective by nature and may not be representative of mineralized zones). A limited drilling campaign in 2001 (9 drill holes) also revealed the following intersections: 1.07% Ni, 0.23% Cu, 0.09% Co / 0.75m; 0.55% Ni, 0.43% Cu, 0.03% Co / 1.7m (Papavoine); 0.57% Ni, 0.29% Cu, 0.03% Co / 1.0m (Papavoine West) (note that the true thicknesses of the mineralized intervals are still undetermined). Drilling also returned several significant intervals of disseminated sulfides with Ni values between 0.1% and 0.2% over tens of meters. Re-examination of historical borehole geophysical surveys indicates that several very promising off-hole electromagnetic anomalies remain untested in the extensions of these mineralized intervals.

During Q4-18, Midland completed a prospecting and channel sampling program on Soissons, final results are pending.

4. EXPLORATION ACTIVITIES (CONT'D)

4.26 Soissons-NMEF (Ni-Cu-Co), operated by NMEF

Property Description

On July 27, 2018, the Corporation signed a partnership agreement (50%-50%) with NMEF, to explore an area of the Soissons property located between 50 and 100 kilometers southeast of Kuujjuaq, Nunavik, Quebec. The NMEF will be the operator of the partnership. As at September 30, 2018, this project consists of a total of 31 claims covering about 1 431 hectares

Exploration work on the property

A small 8 days prospecting and mapping program was conducted by the NMEF. Results of the 50 collected samples are pending.

QUEBEC / LABRADOR

4.27 Ytterby (REE), operated by Midland

Property Description

On December 2, 2017, the last 31 claims of Ytterby Quebec were dropped while all the claims in Labrador were dropped during Fiscal 2017. The Corporation wrote off entirely the Labrador claims for \$185,625. Therefore, as of December 2, 2017, the February 23, 2010 memorandum of agreement signed with JOGMEC is de facto terminated and JOGMEC has lost its 49.4% interest.

Exploration work on the property

No exploration work conducted during Fiscal 18.

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 \$20,472 during Fiscal 18 (\$20,278 in acquisition costs and \$194 in exploration work).

Other Activities

Midland is pro-active 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. FINANCING ACTIVITIES

The Corporation finances itself mainly through share issuance.

On November 17 and 24, 2016, the Corporation completed a private placement by issuing 1,284,354 flow-through shares at \$1.35 per share, for total gross proceeds of \$1,733,876. In connection with the private placement, the Corporation paid finder's fees of \$60,650. Directors and officers of the Corporation participated in this placement for a total consideration of \$136,100.

On March 16, 2017, the Corporation completed a private placement by issuing 614,000 flow-through shares at \$1.35 per share, for total gross proceeds of \$828,900.

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5. FINANCING ACTIVITIES (CONT'D)

On November 22, 2017, the Corporation completed a private placement by issuing a total of 1,692,854 flow-through shares at \$1.35 per share, for total gross proceeds of \$2,285,354. In connection with the private placement, the Corporation paid finder's fees of \$64,572. Directors and officers of the Corporation participated in this placement for a total consideration of \$131,625 under the same terms as other investors.

On December 5, 2018, the Corporation completed a private placement of 1,969,637 flow-through shares at \$1.35 per share for total gross proceeds of \$2,659,012. In connection with the private placement, the Corporation paid finder's fees of \$127,414. Directors and officers of the Corporation participated in this placement for a total consideration of \$141,750 under the same terms as other investors.

On May 3, 2018, 1,522,000 warrants were exercised at \$1.15 for total gross proceeds of \$1,750,300.

6. WORKING CAPITAL

6.1 Non-IFRS Financial Performance Measure

Midland has included a non-IFRS measure, "Adjusted working capital", to supplement its financial statements, which are presented in accordance with IFRS.

Midland believes that this measure, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Corporation. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Midland has an adjusted working capital of \$11,214,039 as of September 30, 2018 (\$11,678,771 as of September 30, 2017) which is calculated as follows:

	Fiscal 18	Fiscal 17
	\$	\$
Current assets	10,639,766	12,497,871
Investments – non-current portion	1,200,000	-
Current liabilities	(625,727)	(819,100)
Adjusted working capital	11,214,039	11,678,771

6.2 Cash flow required

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.

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6. WORKING CAPITAL (CONT'D)

	Annualized
Cash flow required	\$
Operating expenses, excluding non-cash items	1 400 000
Project management fees and interest income	(240 000)
Exploration budget paid by Midland (covering the exploration work requirements following the December 2018 flow-through private placement of \$2,659,012)	4 000 000
Mining credits of preceding years	(920 000)
Staking and property maintenance	250 000
Total	4 490 000

7. SUMMARY OF RESULTS PER QUARTERS

For the eight most recent quarters:

	Q4-18	Q3-18	Q2-18	Q1-18
	\$	\$	\$	\$
Project management fees	27,085	29,361	7,589	45,513
Net earnings (loss)	(450,974)	139,272	(233,834)	(261,994)
Loss per share	(0.01)	-	-	(0.01)
Total assets	29,736,269	29,690,768	27,692,038	27,955,415

	Q4-17	Q3-17	Q2-17	Q1-17
	\$	\$	\$	\$
Project management fees	25,587	12,850	24,997	32,759
Net loss	(550,307)	(110,435)	(261,195)	(292,119)
Loss per share	(0.01)	-	-	(0.01)
Total assets	26,477,605	26,956,987	27,010,601	25,846,801

No adjustments were required following the adoption of IFRS 15 (see Section 16).

A \$360,900 recovery of deferred income taxes (non-cash item) was recognized in Q3-18 (\$169,110 in Q3-17) to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the November 2017 private placement (November 2016 and March 2017 in Q3-17).

8. FOURTH QUARTER

The Corporation reported a loss of \$450,947 for Q4-18 compared to a loss of \$550,307 for Q4-17.

The Corporation earned project management fees are stable at \$27,085 in Q4-18 (\$25,587 in Q4-17).

Total expenses are stable at \$594,630 in Q4-18 compared to \$615,532 in Q4-17:

- Stock-based compensation (non-cash item) decreased to \$35,094 (\$65,705 in Q4-17). See section 3 for the detailed explanation that influence this expense.
- Impairment of exploration and evaluation assets (non-cash items) increased to \$281,885 (\$227,584 in Fiscal 17). See section 4 for the detailed explanations.

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8. FOURTH QUARTER (CONT'D)

In Fiscal 18, a \$62,450 (\$15,960 in Q4-17) recovery of deferred income taxes (non-cash item) was recognized. See detailed exploration in section 3

The Corporation incurred \$2,162,786 (\$2,261,784 in Q4-17) in exploration expenses of which \$423,688 (\$354,964 in Q4-17) was recharged to the partners. The exploration expenses incurred in Q4-18 were mostly executed on Willbob, Casault, Shire and Moria whereas in Q4-17, the exploration expenses were mostly executed on Willbob, Casault and BJ Altius. The Corporation acquired properties for \$592,886 net mostly to buy back the 50% interest of Altius in the BJ Altius properties by issuing 461,487 common share valued at \$507,636 (\$99,071 net in Q4-17 mostly on BJ Altius).

9. RELATED PARTY TRANSACTIONS

The following are the related party transactions that occurred in Fiscal 18:

In the normal course of operations:

- A firm in which René Branchaud (director and corporate secretary) is a partner charged legal fees amounting to \$69,469 (\$76,821 in Fiscal 17);
- A company controlled by Ingrid Martin (chief financial officer) charged accounting fees totaling \$131,102 (\$120,964 in Fiscal 17) of which \$47,634 (\$51,508 in Fiscal 17) relates to her staff;
- As at September 30, 2018, the balance due to the related parties amounted to \$4,681 (\$7,861 as at September 30, 2017).

10. SUBSEQUENT EVENTS

See section 5 on financing activities.

11. OUTSTANDING SHARE DATA

	As at December 6, 2018 Number	As at September 30, 2018 Number
Common shares	63,005,922	61,036,284
Options	3,760,000	3,760,000
Warrants	-	-
	66,765,922	64,796,284

12. 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. On February 15, 2018, the board of directors approved an increase in the number of common shares reserved for issuance under the Corporation's fixed number stock option plan from 5,400,000 to 5,790,000. In addition, the Plan was amended to allow the extension of the exercise period during a black-out period. Such amendment to the plan was approved by the Exchange. 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.

13. OFF-BALANCE SHEET ARRANGEMENTS

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

14. 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%.

15. CRITICAL ACCOUNTING ESTIMATES

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results could differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

JUDGMENTS

15.1 Impairment of exploration and evaluation (“E&E”) assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of E&E assets requires management’s judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Corporation’s assets and earnings may occur during the next period.

The total impairment loss of the E&E assets recognized is \$303,610 for Fiscal 18 (\$232,075 for Fiscal 17). No reversal of impairment losses has been recognized for the reporting periods.

15. CRITICAL ACCOUNTING ESTIMATES (CONT'D)

15.2 Deferred taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. Judgment is also involved in the determination of the expected manner of realisation or settlement of the carrying amount of the Corporation's assets and liabilities which is expected to be through the sale of the Corporation's assets.

15.3 Valuation of credit on duties refundable for loss and the refundable tax credit for resources.

Refundable credit on mining duties and refundable tax credit related to resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including credit on mining duties and tax credit related to resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Corporation's credit on mining duties and tax credit related to resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority.

Differences arising between the actual results following final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to credit on mining duties and tax credit related to resources, exploration and evaluation assets and expenses, and income tax expense in future periods. The amounts recognized in the financial statements are derived from the Corporation's best estimation and judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Corporation's financial position and its financial performance and cash flows.

16. 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.

16.1 Accounting standards adopted

a) IFRS 15, Revenue from contracts with customers ("IFRS 15")

IFRS 15 replaces all previous revenue recognition standards, including IAS 18, Revenue, and related interpretations. The standard sets out the requirements for recognizing revenue. Specifically, the new standard introduces a comprehensive framework with the general principle being that an entity recognizes revenue to depict the transfer of promised goods and services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces more prescriptive guidance than was included in previous standards and may result in changes to the timing of revenue for certain types of revenues. The new standard will also result in enhanced disclosures about revenue that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. As of October 1, 2017, the Company has adopted IFRS 15 on a full retrospective basis. Management has concluded that, based on its current operations, the adoption of IFRS 15 had no significant impact on the Corporation's financial statements.

16. NEW ACCOUNTING STANDARDS (CONT'D)

16.2 Accounting standards issued but not yet effective

a) IFRS 16 Leases

In January 2016, the IASB issued IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces IAS 17, Leases ("IAS 17"), and related interpretations. Save for short term leases and leases of low value assets, all leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 will eliminate the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

- assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- depreciation of lease assets separately from interest on lease liabilities in the statement of loss and comprehensive loss.

The new standard is effective for annual periods beginning on or after January 1, 2019 with an early adoption permitted if IFRS 15 Revenue from contracts with customers is also applied.

The Corporation has presently only one lease affected by IFRS 16, described in Section 14. Management has not yet evaluated the impact that this new standard will have on its financial statements.

17. FINANCIAL INSTRUMENTS

For a description of the financial instruments and the risk associated, please refer to notes 2.5 and 14 of the September 30, 2018 financial statements.

18. 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.

18.1 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.

18. RISK FACTORS (CONT'D)

18.2 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.

18.3 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.

18.4 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.

18.5 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.

18.6 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.

18. RISK FACTORS (CONT'D)

18.7 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.

18.8 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.

18.9 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.

18.10 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.

18.11 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.

18. RISK FACTORS (CONT'D)

18.12 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.

18.13 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.

19. 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 6, 2018

(s) Gino Roger
Gino Roger
President and CEO

(s) Ingrid Martin
Ingrid Martin
CFO

Midland Exploration Inc.

Corporate Information

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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 Compensation and Governance Committee*

3) *Member of the Technical Committee*

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Mario Masson, Vice-president Exploration

Ingrid Martin, Chief Financial Officer

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