



Midland Exploration Inc.

Condensed Interim Financial Statements

Three and nine months ended June 30, 2018

*The attached financial statements have been prepared by Management of
Midland Exploration Inc. and have not been reviewed by the auditors*

Midland Exploration Inc.

Statements of Financial Position

As at June 30, 2018 and September 30, 2017

(Unaudited)

	As at June 30, 2018	As at September 30, 2017
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 4)	2,490,234	4,628,896
Investments (note 5)	10,003,910	6,503,910
Accounts receivable	210,894	105,995
Sales tax receivable	220,172	279,945
Tax credits and mining rights receivable	237,445	922,454
Prepaid expenses	104,194	56,671
Total current assets	13,266,849	12,497,871
Non-current assets		
Tax credits and mining rights receivable - non-current portion	15,241	117,623
Listed shares	43,000	33,000
Exploration and evaluation assets (note 6)		
Exploration properties	2,093,451	1,896,351
Exploration and evaluation expenses	14,272,227	11,932,760
	16,365,678	13,829,111
Total non-current assets	16,423,919	13,979,734
Total assets	29,690,768	26,477,605
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	841,415	477,838
Advance received for exploration work	6,411	341,262
Liability related to the premium on flow-through share	62,450	-
Total liabilities	910,276	819,100
Equity		
Capital stock	38,626,266	35,142,832
Warrants (note 7)	-	1,922,031
Contributed surplus	4,701,061	2,679,002
Deficit	(14,546,835)	(14,085,360)
Total equity	28,780,492	25,658,505
Total liabilities and equity	29,690,768	26,477,605

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

Midland Exploration Inc.

Statements of Comprehensive Loss

Three and nine months ended June 30, 2018 and 2017

(Unaudited)

	Three months ended June 30		Nine months ended June 30	
	2018	2017	2018	2017
	\$	\$	\$	\$
Revenues				
Project management fees	29,361	12,850	82,463	70,606
Operating Expenses				
Salaries	54,433	112,209	429,557	448,565
Stock-based compensation	61,677	90,792	157,301	219,724
Travel	20,575	16,843	47,650	48,867
Rent and insurance	15,153	14,932	45,732	43,797
Office expenses	45,124	30,117	127,027	99,051
Regulatory fees	2,339	2,621	43,215	40,876
Conferences and mining industry involvement	24,558	24,694	137,077	139,814
Press releases and investors relations	18,847	11,182	67,182	57,655
Professional fees	41,558	32,014	147,544	141,987
General exploration	-	3,724	2,983	4,348
Impairment of exploration and evaluation assets (note 6)	1,253	-	21,725	4,491
Operating expenses	285,517	339,128	1,226,993	1,249,175
Other gains or losses				
Interest income	51,528	46,733	146,354	148,690
Change in fair value – listed shares	(17,000)	-	10,000	-
	34,528	49,614	156,354	101,957
Loss before income taxes	(221,628)	(279,545)	(988,176)	(1,029,879)
Recovery of deferred income taxes	360,900	169,110	631,620	366,130
Net income (loss) and comprehensive income (loss)	139,272	(110,435)	(356,556)	(663,749)
Basic and diluted loss per share	-	-	(0.01)	(0.01)
Weighted average number of basic and diluted outstanding shares	59,824,477	57,161,557	58,886,323	56,503,954

The loss and comprehensive loss are solely attributable to Midland Exploration Inc. shareholders.

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

Midland Exploration Inc.

Statements of Changes in Equity

Nine months ended June 30, 2018 and 2017

(Unaudited)

	Number of shares outstanding	Capital stock	Warrants	Contributed surplus	Deficit	Total equity
		\$	\$	\$	\$	\$
Balance at October 1, 2017	57,161,557	35,142,832	1,922,031	2,679,002	(14,085,360)	25,658,505
Loss and comprehensive loss	-	-	-	-	(356,556)	(356,556)
Flow-through private placement	1,692,854	2,285,354	-	-	-	2,285,354
Less: premium	-	(694,070)	-	-	-	(694,070)
	1,692,854	1,591,284	-	-	-	1,591,284
Warrants exercised	1,522,000	1,892,150	(141,850)	-	-	1,750,300
Warrants expired	-	-	(1,780,181)	1,780,181	-	-
Stock-based compensation	-	-	-	241,878	-	241,878
Share issue expenses	-	-	-	-	(104,919)	(104,919)
Balance at June 30, 2018	60,376,411	38,626,266	-	4,701,061	(14,546,835)	28,780,492

	Number of shares outstanding	Capital stock	Warrants	Contributed surplus	Deficit	Total equity
		\$	\$	\$	\$	\$
Balance at October 1, 2016	54,674,417	32,332,811	1,997,093	2,224,411	(12,759,167)	23,795,148
Loss and comprehensive loss	-	-	-	-	(663,749)	(663,749)
Flow-through private placement	1,898,354	2,562,776	-	-	-	2,562,776
Less: premium	-	(382,090)	-	-	-	(382,090)
	1,898,354	2,180,686	-	-	-	2,180,686
Warrants exercised	588,786	629,335	(69,988)	-	-	559,347
Warrants expired	-	-	(5,074)	5,074	-	-
Stock-based compensation	-	-	-	352,333	-	352,333
Share issue expenses	-	-	-	-	(112,137)	(112,137)
Balance at June 30, 2017	57,161,557	35,142,832	1,922,031	2,581,818	(13,424,618)	26,111,628

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

Midland Exploration Inc.

Statements of Cash Flows

Nine months ended June 30, 2018 and 2017

(Unaudited)

	Nine months ended June 30,	
	2018	2017
	\$	\$
Operating activities		
Loss	(356,556)	(663,749)
Adjustment for:		
Stock-based compensation	157,301	219,724
Impairment of exploration and evaluation assets	20,472	4,491
Variation – fair value of listed shares	(10,000)	-
Recovery of deferred income taxes	(631,620)	(366,130)
	(820,403)	(805,664)
Changes in non-cash working capital items		
Accounts receivable	(104,899)	(198,025)
Sales tax receivable	59,773	55,004
Tax credits and mining rights receivable	-	5,320
Prepaid expenses	(47,523)	(844)
Accounts payable and accrued liabilities	761,465	24,982
Advance received for exploration work	(334,851)	(15,036)
	333,865	(128,599)
	(486,438)	(934,263)
Financing activities		
Flow-through private placement	2,285,354	2,562,776
Exercise of warrants	1,750,300	559,347
Share issue expenses	(104,919)	(112,137)
	3,930,735	3,009,986
Investing activities		
Additions to investments	(5,350,000)	(1,850,000)
Disposals of investments	1,850,000	7,229,000
Additions to exploration properties	(231,239)	(473,793)
Disposals of exploration properties	-	50,000
Reduction of advances paid for exploration expenses	-	302,224
Additions to exploration and evaluation expenses	(2,774,174)	(2,849,774)
Taxes credits and mining rights received	922,454	8,584
	(5,582,959)	2,416,241
Net change in cash and cash equivalents	(2,138,662)	4,491,964
Cash and cash equivalents – beginning (note 4)	4,628,896	1,467,414
Cash and cash equivalents – ending (note 4)	2,490,234	5,959,378
Additional information		
Stock-based compensation included in exploration and evaluation expenses	84,577	132,609
Additions of exploration properties and exploration and evaluation expenses included in accounts payable and accrued liabilities	602,609	554,743
Tax credits receivable applied against exploration and evaluation expenses	135,063	233,177
Interest received	72,315	92,049

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

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

1. STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Midland Exploration Inc. (“the Corporation”), incorporated in Canada 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. Its head office is located at 1, Place Ville Marie, suite 4000, Montreal, Quebec, H3B 4M4. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the MD ticker.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration properties. The recoverability of exploration and evaluation assets is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain the necessary financing to complete exploration and the profitable sale of the assets. The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although the Corporation has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Corporation’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. BASIS OF PRESENTATION

These condensed interim Financial Statements (the “Financial Statements”) have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the annual financial statements for the year ended September 30, 2017, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year. The Board of Directors has approved the Financial Statements on August 9, 2018.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Financial Statements in conformity with IFRS requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual Financial Statements for the year ended September 30, 2017.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

4. CASH AND CASH EQUIVALENTS

	As at June 30, 2018	As at September 30, 2017
	\$	\$
Cash	2,490,234	328,896
Guaranteed investment certificates bearing interest between 0.80% and 1.15%, maturing between December 5, 2017 and June 6, 2018	-	4,300,000
	2,490,234	4,628,896

5. INVESTMENTS

	As at June 30, 2018	As at September 30, 2017
	\$	\$
Guaranteed investment certificates, not cashable before the expiry date, between 1.45% and 2.65% interest payable annually, maturing between July 16, 2018 and May 13, 2019, with a maturity value of \$6,769,227	10,003,910	-
Guaranteed investment certificates, not cashable before the expiry date, between 1.40% and 1.95% interest payable annually, maturing between November 30, 2017 and July 23, 2018, with a maturity value of \$6,605,807	-	6,503,910
	10,003,910	6,503,910

The balance on flow-through financing not spent according to the restrictions imposed by the November 2017 financing represents \$205,754 as at June 30, 2018 and is included in investments. The Corporation has to dedicate these funds to Canadian mining properties exploration.

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

The following tables disclose the acquisition costs of exploration properties:

Acquisition costs	Undivided interest	As at Sept. 30, 2017	Additions	Option payments	Impairment	As at June 30, 2018
	%	\$	\$	\$	\$	\$
Abitibi						
Maritime-Cadillac	49	290,838	68	-	-	290,906
Laflamme	73.8	122,347	9,822	-	-	132,169
Patris	100	87,072	10,895	-	-	97,967
Casault	50	26,995	2,606	-	-	29,601
Jouvex	50	45,432	4,726	-	-	50,158
Heva	100	57,906	-	-	-	57,906
Valmond	100	10,756	4,691	-	-	15,447
La Peltrie	100	101,601	(6,086)	-	-	95,515
Adam	100	16,830	7,889	-	-	24,719
Samson	100	20,166	16,602	-	-	36,768
Mistaouac	100	-	23,265	-	-	23,265
Turgeon	100	-	28,788	-	-	28,788
Abitibi Or	100	138,669	6,940	-	-	145,609
Grenville-Appalaches						
Weedon	100	36,703	1,888	-	-	38,591
Gatineau	100	32,102	2,012	-	-	34,114
James Bay						
James Bay Au	100	198,893	5,429	-	-	204,322
Eleonore	100	141,681	17,746	-	-	159,427
JV Eleonore	50	96,972	910	-	-	97,882
JV BJ Altius	50	56,095	10,372	-	-	66,467
Northern Quebec						
Pallas PGE	100	105,028	20,104	-	-	125,132
Willbob	100	257,030	26,696	-	-	283,726
Soissons	100	-	27,241	-	-	27,241
Project Generation	100	53,235	(5,226)	-	(20,278) ¹⁾	27,731
		1,896,351	217,378	-	(20,278)	2,093,451

1) The Corporation wrote off a property since no exploration program is planned for the near future and/or dropped all the claims.

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Acquisition costs	Undivided interest	As at Sept. 30, 2016	Net Additions	Option payments	Impairment	As at Sept. 30, 2017
	%	\$	\$	\$	\$	\$
Abitibi						
Maritime-Cadillac	49	290,515	323	-	-	290,838
Laflamme	72.6	97,400	31,793	-	(6,846) ¹⁾	122,347
Patris	100	87,072	-	-	-	87,072
Casault	50	17,538	9,457	-	-	26,995
Jouvex	50	44,998	8,141	-	(7,707) ¹⁾	45,432
Heva	100	106,009	1,897	(50,000)	-	57,906
Valmond	100	7,259	5,328	-	(1,831) ¹⁾	10,756
La Peltrie	100	103,593	28,008	(30,000)	-	101,601
Adam	100	11,975	4,855	-	-	16,830
Samson	100	17,406	2,760	-	-	20,166
Abitibi Or	100	149,902	(11,233)	-	-	138,669
Grenville-Appalaches						
Weedon	100	30,016	13,778	-	(7,091) ¹⁾	36,703
Gatineau	100	8,349	27,561	-	(3,808) ¹⁾	32,102
James Bay						
James Bay Au	100	178,881	32,014	-	(12,002) ¹⁾	198,893
Eleonore	100	105,232	36,449	-	-	141,681
JV Eleonore	50	96,217	755	-	-	96,972
JV BJ Altius	50	-	56,095	-	-	56,095
Northern Quebec						
Pallas PGE	100	72,443	38,508	-	(5,923) ¹⁾	105,028
Willbob	100	55,842	201,188	-	-	257,030
Quebec Labrador						
Ytterby	50.6	2,042	-	-	(2,042) ²⁾	-
Project Generation						
	100	23,429	31,048	-	(1,242) ¹⁾	53,235
		1,506,118	518,725	(80,000)	(48,492)	1,896,351

1) Some claims were dropped and the Corporation impaired partially the property.

2) The Corporation wrote off the property since no exploration program is planned for the near future and/or dropped all the claims.

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

The following two tables disclose details of exploration and evaluation expenses:

E&E expenses	Undivided interest	As at Sept. 30, 2017	Additions	Option payments	Tax credits	Impairment	As at June 30, 2018
	%	\$	\$	\$	\$	\$	\$
Abitibi							
Maritime-Cadillac	49	292,271	96,235	-	-	-	388,506
Laflamme	73.8	2,202,064	178,260	-	-	-	2,380,324
Patris	100	221,844	1,574	-	-	-	223,418
Casault	50	963,965	704,494	-	(52,947)	-	1,615,512
Jouvex	50	412,833	129	-	-	-	412,962
Heva	100	261,985	8,202	-	-	-	270,187
Valmond	100	124,314	-	-	-	-	124,314
Samson	100	83,411	83,010	-	(40)	-	166,381
La Peltrie	100	1,067,584	9,282	-	-	-	1,076,866
Adam	100	131,155	104,332	-	(802)	-	234,685
Mistaouac	100	-	226,478	-	(4,319)	-	222,159
Turgeon	100	-	194,544	-	-	-	194,544
Abitibi Au	100	203,470	12,994	-	(1,347)	-	215,117
Grenville-Appalaches							
Weedon	100	626,897	1,188	-	-	-	628,085
Gatineau	100	44,005	23,578	-	(7)	-	67,576
James Bay							
James Bay Au	100	362,595	100,990	-	(575)	-	463,010
Eleonore	100	1,723,519	46,514	-	(2,260)	-	1,767,773
JV Eleonore	50	291,282	254,749	-	-	-	546,031
JV BJ Altius	50	162,781	207,294	-	(56,092)	-	313,983
Northern Quebec							
Pallas PGE	100	538,746	1,228	-	-	-	539,974
Willbob	100	2,126,873	218,419	-	(16,674)	-	2,328,618
Soissons	100	-	7,735	-	-	-	7,735
Project Generation							
	100	91,166	(6,505)	-	-	(194) ¹⁾	84,467
		11,932,760	2,474,724	-	(135,063)	(194)	14,272,227

1) The Corporation wrote off a property since no exploration program is planned for the near future and/or dropped all the claims.

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

E&E expenses	Undivided interest	As at Sept. 30, 2016	Net Additions	Option payments	Tax credits	Impairment	As at Sept. 30, 2017
	%	\$	\$	\$	\$	\$	\$
Abitibi							
Maritime-Cadillac	49	236,090	56,235	-	(54)	-	292,271
Laflamme	72.6	1,893,853	332,006	-	(23,795)	-	2,202,064
Patris	100	221,646	198	-	-	-	221,844
Casault	50	352,708	691,965	-	(80,708)	-	963,965
Jouvex	50	351,966	62,420	-	(1,553)	-	412,833
Heva	100	157,076	114,219	-	(9,310)	-	261,985
Valmond	100	120,742	3,572	-	-	-	124,314
Samson	100	78,203	6,230	-	(1,022)	-	83,411
La Peltrie	100	628,505	425,573	-	(10,473)	-	1,067,584
Adam	100	42,841	95,781	-	(7,467)	-	131,155
Abitibi Au	100	173,644	30,687	-	(861)	-	203,470
Grenville-Appalaches							
Weedon	100	523,230	105,245	-	(1,578)	-	626,897
Gatineau	100	29,024	14,981	-	-	-	44,005
James Bay							
James Bay Au	100	261,886	136,659	-	(35,950)	-	362,595
Eleonore	100	1,629,303	130,458	-	(36,242)	-	1,723,519
JV Eleonore	50	124,692	237,687	-	(71,097)	-	291,282
JV BJ Altius	50	-	219,291	-	(56,510)	-	162,781
Northern Quebec							
Pallas PGE	100	369,500	295,012	-	(125,766)	-	538,746
Willbob	100	565,271	2,151,089	-	(589,487)	-	2,126,873
Quebec Labrador							
Ytterby	50.6	183,583	-	-	-	(183,583) ¹⁾	-
Project Generation							
	100	74,069	23,436	-	(6,339)	-	91,166
		8 041,811	5,132,744	-	(1,058,212)	(183,583)	11,932,760

1) The Corporation wrote off a property since no exploration program is planned for the near future and/or dropped all the claims.

6.1 Abitibi Au

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% net smelter return ("NSR") royalty.

6.2 Heva

On May 1, 2018, the Corporation signed an amendment to the May 27, 2017 option agreement with IAMGOLD Corporation ("IAMGOLD") whereby IAMGOLD will have until December 31, 2018 to make the \$70,000 cash payment and the \$500,000 work commitment of the first anniversary.

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

6.3 Willbob

On October 2, 2017, the Corporation signed an acquisition agreement whereby it acquired 9 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.

7. EQUITY

7.1 Private placements

On November 22, 2017, the Corporation completed a private placement by issuing 1,692,854 flow-through shares at \$1.35 per share, for total gross proceeds of \$2,285,354. On that date, the Corporation's share closed at \$0.94 on the Exchange, therefore the residual value attributed to the benefit related to flow-through shares renunciation is \$0.41 for a total value of \$694,070, credited to the liability related to the premium on flow-through shares. In connection with the private placement, the Corporation paid finder's fees of \$64,572. Directors and officers of the Corporation participated in these placements for a total consideration of \$131,625.

7.2 Warrants

Changes in the Corporation's number of outstanding warrants were as follow:

	Nine months ended June 30, 2018		Fiscal 2017	
	Number	Amount	Number	Amount
		\$		\$
Balance – Beginning of period	20,622,569	1,922,031	21,254,213	1,997,093
Exercised	(1,522,000)	(141,850)	(588,786)	(69,988)
Expired	(19,100,569)	(1,780,181)	(42,858)	(5,074)
Balance – End of period	-	-	20,622,569	1,922,031

8. SHARE-BASED COMPENSATION

A summary of changes in the Corporation's common share purchase options is presented below:

	Nine months ended June 30, 2018		Fiscal 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – Beginning of period	3,190,000	1.10	2,495,000	1.10
Granted	570,000	0.89	695,000	1.13
Balance – End of period	3,760,000	1.07	3,190,000	1.10
Balance – End of period exercisable	3,160,834	1.09	2,551,668	1.10

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

8. SHARE-BASED COMPENSATION (CONT'D)

The following table summarizes information about common share purchase options outstanding and exercisable as at June 30, 2018:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
260,000	260,000	1.76	February 17, 2021
315,000	315,000	1.54	February 16, 2022
20,000	20,000	1.61	February 27, 2022
345,000	345,000	1.25	February 19, 2023
605,000	605,000	0.85	February 20, 2024
450,000	450,000	0.60	August 13, 2025
500,000	500,000	1.10	August 11, 2026
50,000	50,000	1.13	November 23, 2026
545,000	454,167	1.14	February 21, 2027
100,000	66,667	1.04	May 10, 2027
570,000	95,000	0.89	February 15, 2028
3,760,000	3,160,834		

The Corporation has a stock option plan (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 5,900,000, subject to the Exchange approval.

On February 15, 2018, the Corporation granted to its directors, officers, employees and consultants 570,000 options exercisable at \$0.89, valid for 10 years. Those options were granted at an exercise price equal to the closing market value of the shares the previous day of the grant. Total stock-based compensation costs amount to \$245,100 for an estimated fair value of \$0.43 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 48% expected volatility, 2.22% risk-free interest rate and 6 years options expected life. This expected life was estimated by benchmarking comparable situations for companies that are similar to the Corporation. The expected volatility was determined by calculating the historical volatility of the Corporation's share price back from the date of grant and for a period corresponding to the expected life of the options.

9. SUBSEQUENT EVENTS

9.1 JV JB Altius properties

On May 29 2018, 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 and Shire (the "Designated Projects").

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 agrees to exchange 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;

Midland Exploration Inc.

Notes to Financial Statements

Three and nine months ended June 30, 2018

(Unaudited)

9. SUBSEQUENT EVENTS (CONT'D)

- Altius will subscribe to 198,386 common shares at \$1.10 which corresponds to Altius' portion of the phase 2 approved exploration budget of 2018;
- Altius will subscribe to 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 expires 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.

9.2 Soissons property

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