



Midland Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Six months ended March 31, 2019

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Six months ended March 31, 2019

The following quarterly highlights management discussion and analysis (the “MD&A Highlights”) of the financial condition and results of the operations of Midland Exploration Inc. (“Midland” or “the Corporation”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for Q2-19 YTD. This MD&A Highlights should be read in conjunction with the Corporation’s condensed interim financial statements as at March 31, 2019 prepared in accordance with the International Financial Reporting Standards (“IFRS”), as well as with the management discussion and analysis for the year ended September 30, 2018. All figures are in Canadian dollars unless otherwise noted.

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

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

2.1 Working capital

Midland has an adjusted working capital of \$12,105,311 as of March 31, 2019 (\$11,214,039 as of September 30, 2018), 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 4: Working Capital*).

2.2 Private placements

On December 5 and 18, 2018, the Corporation completed private placement of 3,044,605 flow-through shares at \$1.35 per share for total gross proceeds of \$4,110,218.

On December 21, 2018 and January 18, 2019, the Corporation completed a private placement of 1,333,333 units at a price of \$0.90 per unit for total gross proceeds of \$1,200,000. Each unit consisted of one common share and one half warrant. Each warrant entitles the holder to purchase one common share at a price of \$1.25 for 2 years. Total proceeds for the December 2018 and January 2019 private placements totalled \$5,310,128. In connection with the private placements, the Corporation incurred \$321,946 share issue expenses of which \$180,271 was paid as finder’s fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$141,750 under the same terms as other investors.

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2. OVERALL PERFORMANCE (CONT'D)

On April 17, 2019, the Corporation closed a private placement pursuant to an investment agreement (the "Investment Agreement") with BHP Billiton Canada Inc. ("BHP"). BHP subscribed for 3,444,000 units at an issue price of \$1.70 per unit for aggregate consideration of \$5,854,800. Each unit will consist of one common share and one warrant. Each warrant will entitle BHP to acquire one additional common share at an exercise price of \$2.05 per common share for a period of 18 months. Midland can accelerate the expiry of the Warrants if the daily volume-weighted average trading price of the Common Shares on the Exchange exceeds \$2.25 for 20 consecutive trading days at any time following 120 days after closing of the Private Placement. Pursuant to the terms of the Investment Agreement, BHP will be granted certain rights as long as BHP holds Common Shares equal to at least 5% of the issued and outstanding Common Shares (on a partially diluted basis), including:

- the right to participate in future equity financings by Midland to allow BHP to maintain its then current pro rata non-diluted ownership interest in Midland or to increase its ownership interest in Midland to a maximum of 19.99%, on a fully-diluted basis;
- certain top-up rights to subscribe for additional Common Shares following certain dilutive transactions to allow BHP to maintain its then current pro rata non-diluted ownership interest in Midland;
- the right of first offer for any non-equity financings, including any tolling arrangements, streaming arrangements, forward agreements, off-take agreements or royalty sales relating to any present or future copper exploration projects of Midland in Quebec; and
- the right of first offer on the Mythril project in the event Midland seeks to divest all or part of its interest.

If BHP holds common shares equal to at least 15% of the issued and outstanding common shares (on a non-diluted basis), BHP will also have the right to designate one director for appointment to the Midland board of directors.

2.3 Outstanding share data:

	As at May 9, 2019 Number	As at March 31, 2019 Number
Common shares	68,878,222	65,434,222
Options	4,320,000	4,320,000
Warrants	4,110,667	666,667
	77,308,889	70,420,889

2.4 Update on agreements with partners

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

On July 13, 2018, Altius Minerals Corporation (« Altius ») and the Corporation have signed an amended and restated memorandum of understanding ("Alliance"). On February 12, 2019, the parties jointly decided to terminate the Alliance. The designated projects as per the Alliance (Elrond, Gondor, Helms Deep, Isengard, Minas Tirith, Moria, Shire, Mythril and Fangorn) maintain their net smelter return royalty of 1% in favor of Altius, on the claims that were active at the time of their designation.

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2. OVERALL PERFORMANCE (CONT'D)

2.5 Financial highlights

As operator, Midland incurred exploration expenditures totalling \$2,661,906 (\$2,106,507 in Q2-18 YTD), on its properties of which \$582,692 was recharged to its partners (\$883,383 in Q2-18 YTD). The operating partners incurred \$55,520 of exploration expenses (\$351,255 in Q2-18 YTD). Also, the Corporation invested \$553,752 (\$173,464 in Q2-18) to complete several property acquisitions in Quebec of which \$5,661 was recharged to its partners (\$25,688 in Q2-18 YTD).

The Corporation reported a loss of \$764,090 in Q2-19 YTD compared to \$495,828 for Q2-18 YTD.

Operating expenses increased to \$1,386,466 (\$941,476 in Q2-18 YTD):

- Conference and mining industry involvement \$181,169 (\$112,519 in Q2-18 YTD). Following the Mythril discovery, Midland increased its participation at conferences Xplor 2018, San Francisco, Vancouver Cambridge, Vancouver roundup, PDAC Toronto and Consorem as well as regional events.
- Impairment of exploration and evaluation assets (non-cash item) increased to \$362,203 (\$20,472 in Q2-18 YTD) and the explanations can be found in the investing activities section found later in this MD&A.

The Corporation recorded increased interest income to \$137,409 (\$94,826 during Q2-18 YTD) due to increased funds invested.

A \$449,230 (\$270,720 in Q2-18 YTD) recovery of deferred income taxes (non-cash item) was recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 2018 private placement (November 2017 in Q1-18). All exploration work imposed by the November 2017 was completed before September 30, 2018. The balance on flow-through financing not spent according to the restrictions imposed by the December 2018 financing represents \$2,920,564 as at March 31, 2019.

For Q2-19, the Corporation recorded a loss of \$216,876 (\$233,834 for Q2-18). The variance explanations are similar to those of the year to date period.

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3. EXPLORATION ACTIVITIES

Deferred exploration expenses Q2-19 YTD	Balance Sep 30, 2018	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance March 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	389,110	835	-	-	-	-	835	609	-	-	-	-	1,444	390,554
Laflamme Au	2,427,838	41,851	6,474	180,650	-	-	228,975	2,078	-	(3,316)	-	-	227,737	2,655,575
Patris Au	234,056	2,018	-	-	-	-	2,018	-	-	(213)	-	-	1,805	235,861
Casault Au	1,880,234	33,941	1,955	654,072	129,471	-	819,439	7,776	(379,554)	(164,982)	-	-	282,679	2,162,913
Jouvex Au	412,962	25,668	-	374,830	5,778	-	406,276	1,421	(203,138)	-	-	-	204,559	617,521
Heva Au	271,810	2,250	-	-	-	-	2,250	1,532	-	-	-	-	3,782	275,592
Valmond Au	124,314	1,257	-	-	-	-	1,257	-	-	-	-	-	1,257	125,571
Samson Au	168,110	2,216	-	173	-	-	2,389	-	-	(464)	-	-	1,925	170,035
La Peltrie	1,078,923	4,094	-	12,806	-	-	16,900	1,847	-	(820)	-	-	17,927	1,096,850
Wawagotic	32,949	-	-	-	-	-	-	-	-	-	-	-	-	32,949
Adam	266,663	4,137	-	-	-	-	4,137	923	-	(428)	-	-	4,632	271,295
Mistaouac	224,502	5,110	-	-	-	-	5,110	609	-	(642)	-	-	5,077	229,579
Turgeon	196,665	3,284	-	-	-	-	3,284	609	-	(1,426)	-	-	2,467	199,132
Manthet	8,409	-	-	-	-	-	-	-	-	-	-	-	-	8,409
Abitibi Au	84,739	7,931	-	-	-	-	7,931	-	-	(142)	-	-	7,789	92,528
Grenville-Appalaches														
Weedon Cu Zn Au	647,297	11,759	22,550	-	-	8,125	42,434	-	-	-	-	-	42,434	689,731
Gatineau Zn	71,515	66	-	-	-	-	66	-	-	(7)	-	(65,131)	(65,072)	6,443
Bay-James														
James Bay Au	517,666	12,090	14,793	-	-	-	26,883	923	-	(927)	-	-	26,879	544,545
Eleonore Au	1,770,210	1,585	-	-	-	-	1,585	314	-	-	-	-	1,899	1,772,109
JV Eleonore Au	583,215	26,493	-	-	-	-	26,493	2,586	-	-	-	-	29,079	612,294
Isengard	36,918	-	-	-	-	-	-	-	-	-	-	(36,918)	(36,918)	-
Minas Tirith	33,711	2,519	-	-	-	-	2,519	-	-	-	-	-	2,519	36,230
Shire	226,595	3,263	-	-	-	-	3,263	1,847	-	(1,426)	-	-	3,684	230,279
Elrond	31,406	4,160	-	-	-	-	4,160	-	-	(464)	-	-	3,696	35,102
Gondor	31,424	-	-	-	-	-	-	-	-	-	-	(31,424)	(31,424)	-
Moria	123,544	7,338	-	-	-	-	7,338	-	-	(1,426)	-	-	5,912	129,456
Helms	18,919	3,875	-	-	-	-	3,875	-	-	-	-	-	3,875	22,794
Mythril	28,215	229,329	357,668	327,861	27,461	-	942,319	11,939	-	(161,454)	-	-	792,804	821,019
Fangorn	6,657	-	-	-	-	-	-	-	-	-	-	-	-	6,657
Northern Quebec														
Pallas PGE	540,024	2,100	-	-	-	-	2,100	-	-	-	-	-	2,100	542,124
Willbob Au	2,624,225	32,161	-	14,600	5,882	-	52,643	6,498	-	(13,050)	-	-	46,091	2,670,316
Soissons	47,282	4,016	-	-	6,782	-	10,798	-	-	(4,421)	-	-	6,377	53,659
Soissons NMEF	4,259	21,484	-	-	-	-	21,484	-	-	-	-	-	21,484	25,743
Generation	84,116	12,910	-	-	235	-	13,145	-	-	(1,319)	-	-	11,826	95,942
TOTAL	11,932,760	509,740	403,440	1,564,992	175,609	8,125	2,661,906	41,511	(582,692)	(356,927)	-	(133,473)	1,630,325	16,858,807

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3. EXPLORATION ACTIVITIES (CONT'D)

Deferred exploration expenses Q2-18 YTD	Balance Sep 30, 2017	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net change	Balance March 31, 2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	292,271	739	-	13,000	-	-	13,739	1,080	-	-	-	-	14,819	307,090
Lafamme Au	2,202,064	25,433	96,909	-	292	-	122,634	2,236	-	-	-	-	124,870	2,326,934
Patris Au	221,844	944	-	944	-	-	1,888	-	(944)	-	-	-	944	222,788
Casault Au	963,965	65,161	-	517,398	39,373	-	621,432	7,315	(185,966)	(52,947)	-	-	390,334	1,354,299
Jouvex Au	412,833	-	-	-	-	-	-	129	-	-	-	-	129	412,962
Heva Au	261,985	4,383	-	-	-	-	4,383	-	(3,490)	-	-	-	893	267,264
Valmond Au	124,314	-	-	-	-	-	-	-	-	-	-	-	-	124,314
Samson Au	83,411	16,655	35,761	260	-	-	56,676	99	-	(40)	-	-	52,735	136,146
La Peltrie	1,067,584	28,204	60,696	428,549	26,733	17,831	562,013	5,080	(562,013)	-	-	-	5,080	1,072,664
Adam	131,155	8,339	-	407	-	18,750	27,496	1,382	-	(802)	-	-	28,076	159,231
Abitibi Au	203,470	12,059	-	-	-	-	12,059	99	-	(1,347)	-	-	10,811	214,281
Grenville-Appalaches														
Weedon Cu Zn Au	626,897	-	-	-	-	-	-	1,000	-	-	-	-	1,000	627,897
Gatineau Zn	44,005	66	2,899	-	-	-	2,965	-	-	(7)	-	-	2,958	46,963
Bay-James														
James Bay Au	362,595	19,752	-	-	-	-	19,752	887	-	(575)	-	-	20,064	382,659
Eleonore Au	1,723,519	26,533	-	-	292	-	26,825	1,716	-	(2,260)	-	-	26,281	1,749,800
JV Eleonore Au	291,282	18,617	69,154	-	373	-	88,144	4,083	-	-	-	-	92,227	383,509
JV BJ Altius	162,781	130,108	101,139	-	30,693	-	261,940	3,035	(130,970)	(56,092)	-	-	77,913	240,694
Northern Quebec														
Pallas PGE	538,746	-	-	-	-	-	-	1,068	-	-	-	-	1,068	539,814
Willbob Au	2,126,873	39,753	-	14,006	24,633	-	78,392	14,704	-	(16,674)	-	-	76,422	2,203,295
Soissons	-	6,000	-	-	-	-	6,000	-	-	-	-	-	6,000	6,000
Projects generation														
	91,166	24,145	179,524	-	-	-	203,669	1,170	-	(4,319)	-	(194)	200,326	291,492
TOTAL	11,932,760	426,891	546,082	974,564	122,389	36,581	2,106,507	49,469	(883,383)	(135,063)	-	(194)	1,137,336	13,070,096

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3. EXPLORATION ACTIVITIES (CONT'D)

Exploration and evaluation expenses	Actual Q2-18 YTD			Actual Q2-19 YTD			Budget Fiscal 19			
	Properties	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Patris	944	944	1,888	2,018	-	2,018	5,000	-	5,000	
Heva Au	893	252,031	252,924	2,250	-	2,250	5,000	-	5,000	
Valmond	-	-	-	1,257	-	1,257	5,000	-	5,000	
Samson	52,676	-	52,676	2,389	-	2,389	5,000	-	5,000	
La Peltrie	-	562,013	562,013	16,900	-	16,900	5,000	125,000	130,000	
Wawagosis	-	-	-	-	-	-	5,000	-	5,000	
Adam	27,496	-	27,496	4,137	-	4,137	5,000	-	5,000	
Mistaouac	114,293	-	114,293	5,110	-	5,110	5,000	-	5,000	
Turgeon	89,376	-	89,376	3,284	-	3,284	5,000	-	5,000	
Manthet	-	-	-	-	-	-	5,000	-	5,000	
Abitibi Or	12,059	-	12,059	7,931	-	7,931	25,000	-	25,000	
Weedon Cu-Zn-Au	-	-	-	42,434	-	42,434	50,000	-	50,000	
Gatineau Zn	2,965	-	2,965	66	-	66	5,000	-	5,000	
Baie James Au	19,752	-	19,752	26,883	-	26,883	200,000	-	200,000	
Éléonore Au	26,825	-	26,825	1,585	-	1,585	100,000	-	100,000	
Isengard	-	-	-	-	-	-	5,000	-	5,000	
Minas Tirith	-	-	-	2,519	-	2,519	5,000	-	5,000	
Shire	65,830	65,831	131,661	3,263	-	3,263	5,000	-	5,000	
Elrond	66	66	132	4,160	-	4,160	-	-	-	
Gondor	-	-	-	-	-	-	5,000	-	5,000	
Moria	47,484	47,484	94,968	7,338	-	7,338	5,000	-	5,000	
Helms	17,590	17,589	35,179	3,875	-	3,875	-	-	-	
Mythril	-	-	-	942,319	-	942,319	2,000,000	-	2,000,000	
Fangorn	-	-	-	-	-	-	5,000	-	5,000	
Willbob	78,392	-	78,392	52,643	-	52,643	475,000	-	475,000	
Pallas EGP	-	-	-	2,100	-	2,100	5,000	-	5,000	
Soissons	6,000	-	6,000	10,798	-	10,798	5,000	-	5,000	
Project generation	-	-	-	13,145	-	13,145	30,000	-	30,000	
	562,641	945,958	1,508,599	1,158,404	-	1,158,404	2,975,000	125,000	3,100,000	
<i>In joint venture</i>										
Maritime-Cadillac AEM 51%	13,739	14,300	28,039	835	868	1,703	50,000	50,000	100,000	
Vermillon – Soquem 53.4%	236	270	506	-	-	-	-	-	-	
Laflamme Au– Abcourt 24.6%	122,634	-	122,634	228,975	-	228,975	150,000	-	150,000	
Casault – Soquem 50%	435,966	185,966	621,932	439,885	379,554	819,439	450,000	450,000	900,000	
Jouvex – Soquem 50%	-	-	-	203,138	203,138	406,276	175,000	175,000	350,000	
JV Eleonore Osisko 50%	88,144	88,144	176,288	26,493	26,437	52,930	150,000	150,000	300,000	
Soisson NMEF 50%	-	-	-	21,484	28,215	49,699	50,000	50,000	100,000	
	660,719	288,680	949,399	920,810	638,212	1,559,022	1,025,000	875,000	1,900,000	
Grand total	1,223,360	1,234,638	2,457,998	2,079,214	638,212	2,717,426	4,000,000	1,000,000	5,000,000	

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3. EXPLORATION ACTIVITIES (CONT'D)

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

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

HIGHLIGHTS

- ***New IP targets identified on strike with Mythril***
- ***First drilling program completed on Mythril (10 ddh -2,400 m) ; Assays pending***
- ***Next drilling (5,000 m) in preparation for Q3-19***
- ***New gold-bearing showing found on Laflamme***

ABITIBI

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

Property Description

Some claims were dropped therefore the Corporation impaired partially for \$2,250 in Q1-19.

Exploration work on the property

The IP survey conducted in the summer of 2018 led to the identification of several new drilling targets located along the contacts or at the western edge of the felsic intrusion. These targets are characterized by weak chargeability highs associated with weak resistivity variations, and coincide with the northeast end of a significant gold and copper train in tills.

A drilling program consisting in four (4) holes totalling approximately 650 metres was completed during Q2-19. A new gold-bearing showing, named Longshot, was discovered in an altered diorite intrusion and returned 0.25 g/t Au over 10.0 metres, including 2.19 g/t Au over 0.7 metre from 117 m to 127 m in hole LAF-19-45. Hole LAF-19-46 intersected 0.37 g/t Au over 3.8 metres from 35.0 m to 38.8 m at about 500 metres south of LAF-19-45. The correlation between the mineralized zones (Py and quartz veins) in holes 45 and 46 and the historical IP anomalies is excellent.

A new IP survey is in preparation in order to cover the entire diorite intrusion next summer.

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

Exploration work on the property

The drilling campaign was completed during Q1-19 on Casault. A total of seven (7) drill holes were completed (CAS-18-116 to CAS-18-122) totaling 2,800 meters in the Vortex gold discovery area located in the western sector of Casault near the Sunday Lake Fault and at the western end of the Timiskaming conglomerate basin.

Hole **CAS-18-116** targeted the Vortex Zone 200 m west of hole CAS-18-110. The only values obtained above 0.1 g / t Au are isolated and are:

- 0.284 g/t Au over 0.50m (403.0-403.50m)
- 0.269 g/t Au over 1,00m (394.0-395.0m)
- 0.239 g/t Au over 0.75m (171.85-172.6m)
- 0,224 g/t Au over 1.00m (429.0-430.0m)
- 0.190 g/t Au over 1.10m (432.5-433.60m)
- 0.136 g/t Au over 0.40 m (138.6-139.0m)
- 0.121 g/t Au over 0.95m (181.2-182.15m)

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3. EXPLORATION ACTIVITIES (CONT'D)

Hole **CAS-18-117** targeted the extension of the Vortex Zone to the East. The best value is at the beginning of the hole between 221.70-222.35m; it yielded 16.1 g/t Au over 0.65m. It is inside the gabbro, close to contact with the tuffs in a fault zone with a of quartz-calcite-brecciated chlorite vein (25cm) mineralized with 1% disseminated pyrite. The Interval is strongly chloritized, unfortunately this value is isolated. Another section yielded 0.157 g/t Au over 6.5m (between 161.1-167.6m) and this section is probably related to the zone of hole CAS-13-36 which returned 0.134 g/t Au over 11.87m (between 65.13 and 77m). The 450 Vortex zone yielded 0.114 g/t Au over 8.7m.

Hole **CAS-18-118** was targeting an IP anomaly in contact with a magnetic maximum in a high resistivity. Unfortunately, the best result returned 0.27 g / t Au over 0.90 meter between 125.40 and 126.30 meters.

Hole **CAS-18-119** was targeting an IP anomaly in contact with a magnetic maximum in a high resistivity area. It also targets the Stellar Zone 1 encountered between 33.65 and 41.60 meters in hole 118 located 210 meters to the north. This hole was completed at 549m. The IP target was reached between 174.65 and 176.70 meters and consisted in a zone of two (2) meters mineralized with 10-20% of fine and coarse pyrite in the gabbro strongly altered in chlorite and injected with 50% veins and veinlets of quartz and calcite epidotized. The Stellar Zone 1 was intercepted between 511.30 and 522.75 meters in foliated and heavily weathered pillowed basalts. The heart of the area is 4.25 meters wide and contains between 15-20% pyrite and 1-2% pyrrhotite. Locally, traces of sphalerite have been observed at the exit of the Stellar Zone 1, in the pillow borders. The best results returned:

- 0.375 g/t Au over 0.50m (308.40-308.90m)
- 0.387 g/t Au over 0.40m (348.15-348.55m)
- 0.156 g/t Au over 1.60m (360.00-361.60m)

Hole **CAS-18-120** was targeting an IP anomaly in contact with a magnetic maximum in a high resistivity area. The hole was completed at 260.6m in pillowed basalt. After 27m of casing the hole started in the pillowed basalts strongly altered in chlorite. In the first 85m we note the presence of 5 felsic dykes from 1.5m to 5m thick, they are quite dry on the mineralization side. From 107.35 to 226.15 metres, a heavily chloritized dark green gabbro was intersected. In general it is mineralized with traces of pyrite at 0.5-1% locally and contains several sections of felsic dykes that are weekly mineralised in pyrite 0.5-2%. The best result returned 0.33 g/t Au over 3.0 metres from 123.0 to 126.0 metres.

Hole **CAS-18-121** was targeting a magnetic high, the northern contact of the Timiskaming conglomerate basin, a weak IP anomaly and a rise in resistivity. The hole has been completed at 400.50m. The IP anomaly is explained by a sheared interval from 248.8 to 249.55m, injected with quartz veinlets + calcite and mineralized with 10-15% disseminated fine pyrite from 248.8m to 249.25m. The best results are:

- 0.113 g/t Au over 0.45m (103.39-104.35m)
- 0.312 g/t Au over 0.40m (218.65-219.05m)
- 0.435 g/t Au over 0.45m (248.80-249.25m)
- 2.02 g/t Au over 0.90m (263.3-264.2m)
- 0.136 g/t Au over 0.60m (270.0-270.6m)

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3. EXPLORATION ACTIVITIES (CONT'D)

Hole **CAS-18-122** passed through the 61.6 to 181m magnetic unit which is a blocks tuff and lapillis with fragments / strips of semi-massive py and Mt as typically seen in the 475 Vortex Zone. Subsequently, the hole intercepted a non-magnetic ash tuffs and ended in a deformed mafic volcanic unit (chl shale), which appears to be on the Sunday Lake deformation corridor. The latter is very weakly mineralized with 0.1% of locally disseminated py. The best results returned:

- 0.43 g/t Au over 0.50 m (43.80 to 44.30)
- 0.12 g/t Au over 0.80 m (46.70 to 47.50)
- 1.59 g/t Au over 0.35 m (60.05 to 60.40)

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

Property Description

Some claims were dropped therefore the Corporation impaired partially for \$2,292 in Q1-19.

Exploration work on the property

During Q2-19, a drilling program was initiated on the Jouvex property. Unfortunately, due to the lack production and the severe weather conditions, this program was stopped after only a total of 614.0 metres of drilling before its completion.

The most interesting interval came from hole JOU-19-15 which returned 0.22 g/t Au over 2.25 metres from 243.95 to 246.20 metres while testing an IP-OreVision anomaly. This zone consisted in 0.5% arsenopyrite and 1% pyrite in contact with felsic breccia volcanic.

3.4 La Peltrie (Au), operated by Midland

Property Description

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

GRENVILLE-APPALACHES

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

Exploration work on the property

During Q2-19 and IP survey was completed to the NE of the Lingwick deposit. Several weak anomalies were detected, including new axis found in the direct extension of the Lingwick deposit.

3.6 Gatineau (Zn) operated by Midland

Property Description

Some projects included in the Gatineau property were dropped therefore the Corporation wrote off \$96,627 during Q1-19 (\$31,496 in acquisition costs and \$65,131 in exploration work).

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3. EXPLORATION ACTIVITIES (CONT'D)

JAMES BAY

3.7 Isengard (Au) operated by Midland

Property Description

The Corporation decided to drop the claims of the Isengard property since, amongst other reasons, no gold or base metals anomalies were found. The Corporation wrote off \$64,468 during Q2-19 (\$27,550 in acquisition costs and \$36,918 in exploration work).

3.8 Gondor (Au) operated by Midland

Property Description

The Corporation decided to drop the claims of the Gondor property since, amongst other reasons, no gold anomaly was found. The Corporation wrote off \$48,654 during Q1-19 (\$15,598 in acquisition costs and \$33,056 in exploration work).

3.9 James Bay Mythril (Au), operated by Midland

Exploration work on the property

Following the significant discovery in 2018 of Cu-Mo-Au-Ag floats and surface showings on Mythril over more than 2 kilometres, Midland conducted an airborne magnetic and electromagnetic survey totalling approximately 2,500 line-kilometres in order to cover the main Mythril block. Also, the final results of the soil geochem survey were received.

2018 Highlights are:

- Continuous zone of copper soil anomalies that is at least 2.4 kilometres long, observed on each survey line, and from 25 to 250 metres wide. Strongest and widest copper anomalies (up to 0.12 % Cu in soil) are found on the last line to the west, still open and unexplained.
- Molybdenum soil anomalies mostly overlap the copper anomalies but are clearly stronger in the eastern part of the known system. Similar Cu vs Mo zoning also observed in surface showings and float fields; typical of large magmatic-hydrothermal mineralized systems, with Cu highest in shallower/colder parts and Mo in deeper/hotter parts.
- Preliminary results from an airborne magnetic-electromagnetic survey indicate that the known Cu-Au-Mo-Ag showings are located at the northern edge of a strong and laterally continuous magnetic anomaly.

A dipole-dipole array IP survey covered an area of approximately 4.5 × 1.2 kilometres, with lines spaced every 100 metres and stations at 25-metre intervals (n=1 to 6) along each line.

A new chargeability zone was identified along the northeast extension of Mythril, over a minimum distance of 1.3 km (open to the east). It is defined by chargeability values > 10 mV/V (up to 19 mV/V) relative to a background of 5-7 mV/V. It is locally accompanied by resistivity values as low as 2,500 ohm*m, relative to background values of 20,000 to 30,000 ohm*m. On line 37+00E, a copper-in-soil geochemical anomaly was identified last fall in the last sample collected just south of the IP anomaly. Moreover, a mineralized float was found near the IP anomaly on line 32+00E and had returned 0.17% Cu and 4.7 g/t Ag.

Other chargeability anomalies, parallel to the main Mythril trend, were identified and remain unexplained. These will be the focus of a prospecting campaign next summer.

An IP-Gradient survey totalling approximately 175 kilometres (lines spacing 200 m) was also completed and identified at least five (5) new target areas located in the eastern extension of the Mythril mineralized trend.

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3. EXPLORATION ACTIVITIES (CONT'D)

A first drilling program on the project was completed during Q2-19. A total of ten (10) holes were completed for a total of 2,400 metres. The drilling campaign tested IP dipole-dipole anomalies detected in the western portion of the Mythril system. More than 2,300 samples were sent at the lab and assays are pending.

A second drilling program totalling approximately 5,000 metres is currently in preparation and will be completed during Q3-19.

3.10 James Bay Gold Galinée (Au), operated by Midland

Exploration work on the property

An IP survey was completed during Q2-19 in the extensions of the Elsa showing found in 2018. At least two strong anomalous IP responses were obtained.

NORTHERN QUEBEC

3.11 Pallas (PGE), operated by Midland

Property Description

Some claims were dropped therefore the Corporation impaired partially for \$35,153 in Q1-19.

3.12 Willbob (Au), operated by Midland

Property Description

Some claims were dropped therefore the Corporation impaired partially for \$114,391 in Q1-19.

Exploration work on the property

The Ants zone was discovered by surface prospecting in July 2018. It occurs as a large outcropping zone of disseminated pyrrhotite-chalcopyrite and minor quartz veins in a strongly chloritized and ankeritized quartz diorite. A single channel (ANTS-18-01) in July cut in the western part of the zone yielded 0.81 g/t Au over 5.8 meters, including 1.48 g/t Au over 2.8 meters. New channel sampling in September significantly extended the gold zone to the southeast, also yielding higher gold values. Channel ANTS-18-03, located 30 meters to the southeast of ANTS-18-02, yielded **1.78 g/t Au over 23.3 meters, including 3.19 g/t Au over 10.0 meters**. The interval is still open to the southwest, as the last channel sample yielded 0.6 g/t Au. The zone is also completely open to the southeast.

Channel ANTS-18-02, located about 20 meters southeast of ANTS-18-01, yielded **3.33 g/t Au over 5.0 meters**. The interval is still open to the southwest, as the last sample in the channel returned 2.2 g/t Au.

The Ants-4G zone is located approximately 100 meters east of channel ANTS-18-03. A grab sample in July had yielded 4.27 g/t Au in a diorite mineralized in pyrrhotite, with ankerite-chlorite alteration. It is visually similar to the Ants zone. Channel sampling of the Ants-4G zone returned **2.22 g/t Au over 4.5 meters** in ANTS-18-04. Visible gold was observed in small tension quartz veins.

Midland is currently planning a new drilling program for 2019 in order to test the Ants showing.

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

Exploration work on the property

The 2018 campaign at Soissons consisted in prospecting, manual trenching and channel sampling of magmatic Ni-Cu-Co sulfide occurrences around the Papavoine and A14 troctolite/gabbronrite intrusions. None of the sulfide occurrences exhibited evidence of prior channel sampling. The Papavoine and A14 intrusions belong to the Soissons intrusive suite, that is similar in age and nature to the Nain plutonic suite in Labrador, that hosts the Voisey's Bay world-class Ni-Cu-Co mine.

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3. EXPLORATION ACTIVITIES (CONT'D)

Highlights are:

- 0.61 % Ni, 0.31 % Cu, 0.04 % Co over 6.6 meters, including 0.93 % Ni, 0.4 % Cu, 0.06 % Co over 2.8 meters (channel PPV-18-03), at the troctolite/gneiss contact.
- 0.63 % Ni, 0.45 % Cu, 0.04% Co over 4.2 meters, including 1.0 % Ni, 0.61 % Cu, 0.06 % Co over 1.4 meters (channel PPV-18-04), at the troctolite/gneiss contact (70m NE from PPV-18-03).
- Many other channels with several meters of anomalous Ni (0.2-0.5%) and/or Cu (0.2-0.5%) values, found further away from the troctolite/gneiss contact, both within the intrusion and in footwall gneisses. Spread over about 200 meters along the contact.
- Median metal values recalculated to 100% sulfides (“tenors”) are 3.7 % Ni and 2.2 % Cu for the Papavoine intrusion area (for sulfur > 2 %; n=29; see note below*); these are comparable to tenors found at the Voisey’s Bay Ni-Cu-Co mine.

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

Exploration work on the property

No significant results were obtained from the 2018 prospecting program.

4. WORKING CAPITAL

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 \$12,105,311 as of March 31, 2019 (\$11,214,039 as of September 30, 2018) which is calculated as follows:

	March 31, 2019	September 30, 2018
	\$	\$
Current assets	12,371,414	10,639,766
Investments – non-current portion	1,200,000	1,200,000
Current liabilities	(1,466,103)	(625,727)
Adjusted working capital	12,105,311	11,214,039

May 9, 2019

(s) Gino Roger

Gino Roger
President and CEO

(s) Ingrid Martin

Ingrid Martin
CFO

Midland Exploration Inc.

Corporate Information

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

Notes:

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

Officers

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Ingrid Martin, Chief Financial Officer
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