



Midland Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Three months ended December 31, 2017

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2017

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 Q1-18. This MD&A Highlights should be read in conjunction with the Corporation’s condensed interim financial statements as at December 31, 2017 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, 2017. 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
Q1-17	October 1, 2016 to December 31, 2016
Q2-17	January 1, 2017 to March 31, 2017
Q3-17	April 1, 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 1, 2018 to June 30, 2018
Q4-18	July 1, 2018 to September 30, 2018
Fiscal 18	October 1, 2017 to September 30, 2018

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 \$12,630,496 as of December 31, 2017 (\$11,678,871 as of September 30, 2017), which will allow the Corporation to execute its exploration program for at least the next three years.

In November 2017, the Corporation completed private placements by issuing 1,692,854 flow-through shares respectively at \$1.35 per share, for total gross proceeds of \$2,285,354. The balance on flow-through financing not spent according to the restrictions imposed by this financing represents \$2,227,701 as at December 31, 2017.

As operator, Midland incurred exploration expenditures totalling \$1,175,011 (\$1,044,936 in Q1-17), on its properties of which \$807,027 was recharged to its partners (\$282,743 in Q1-17). The operating partners incurred \$215,802 of exploration expenses (\$473,921 in Q1-17). Also, the Corporation invested \$45,558 (\$87,086 in Q1-17) to complete several property acquisitions in Quebec of which \$7,258 was recharged to its partners (\$20,487 in Q1-17).

The Corporation reported a loss of \$261,994 in Q1-18 compared to \$292,119 for Q1-17. Operating expenses are stable at \$407,775 (\$405,741 in Q1-17). A favorable change in fair value of listed shares (non-cash) of \$27,000 was recorded on the Niobay Metals Inc. shares received as part of the La Peltrie option agreement.

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3. INVESTING ACTIVITIES

Deferred exploration expenses Q1-18	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compen-	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	292,271	739	-	-	-	-	739	304	-	-	-	-	1,043	293,314
Laflamme Au	2,202,064	4,875	-	-	-	-	4,875	993	-	-	-	-	5,868	2,207,932
Patris Au	221,844	944	-	-	-	-	944	-	(944)	-	-	-	-	221,844
Casault Au	963,965	9,720	-	224,103	24,760	-	258,583	1,729	(129,292)	(52,947)	-	-	78,073	1,042,038
Jouvex Au	412,833	-	-	-	-	-	-	98	-	-	-	-	98	412,931
Heva Au	261,985	1,695	-	-	-	-	1,695	1,812	(1,695)	-	-	-	1,812	263,797
Valmond Au	124,314	-	-	-	-	-	-	-	-	-	-	-	-	124,314
Samson Au	83,411	3,605	-	130	-	-	3,735	76	-	(40)	-	-	3,771	87,182
La Peltrie	1,067,584	13,175	60,696	427,829	26,733	17,831	546,264	2,110	(546,264)	-	-	-	2,110	1,069,694
Adam	131,155	1,852	-	-	-	-	1,852	304	-	(802)	-	-	1,354	132,509
Abitibi Au	203,470	6,624	-	-	-	-	6,624	76	-	(1,347)	-	-	5,353	208,823
Grenville-Appalaches														
Weedon Cu Zn Au	626,897	-	-	-	-	-	-	630	-	-	-	-	630	627,527
Gatineau Zn	44,005	33	-	-	-	-	33	-	-	(7)	-	-	26	44,031
Bay-James														
Bay-James Au	362,595	5,588	-	-	-	-	5,588	-	-	(575)	-	-	5,013	367,608
Eleonore Au	1,723,519	9,468	-	-	-	-	9,468	892	-	(2,260)	-	-	8,100	1,731,619
JV Eleonore Au	291,282	14,773	-	-	373	-	15,146	1,717	-	-	-	-	16,863	308,145
JV BJ Altius	162,781	125,875	101,139	-	30,650	-	257,664	775	(128,832)	(56,092)	-	-	73,515	236,296
Northern Quebec														
Pallas PGE	538,746	-	-	-	-	-	-	701	-	-	-	-	701	539,447
Willbob Au	2,126,873	16,877	-	9,007	21,637	-	47,521	7,478	-	(16,674)	-	-	38,325	2,165,198
Projects generation	91,166	14,280	-	-	-	-	14,280	-	-	(4,319)	-	-	9,961	101,127
TOTAL	11,932,760	230,123	161,835	661,069	104,153	17,831	1,175,011	19,695	(807,027)	(135,063)	-	-	252,616	12,185,376

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3. INVESTING ACTIVITIES (CON'T)

Deferred exploration expenses Q1-17	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compen-	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi														
Maritime Cadillac	236,090	160	-	-	-	-	160	-	-	(54)	-	-	106	236,196
Laflamme Au	1,893,853	850	-	-	642	-	1,492	2,761	-	(216)	-	-	4,037	1,897,890
Patris Au	221,646	1,700	-	1,994	-	-	3,694	151	(3,694)	-	-	-	151	221,797
Casault Au	352,708	10,664	-	1,080	1,542	-	13,286	5,800	(6,345)	(2,213)	-	-	10,528	363,236
Jouvex Au	351,966	-	850	-	-	-	850	902	(425)	(217)	-	-	1,110	353,076
Heva Au	157,076	32,037	-	-	3,609	-	35,646	801	-	(9,310)	-	-	27,137	184,213
Valmond Au	120,742	-	-	-	-	-	-	-	-	-	-	-	-	120,742
Samson Au	78,203	850	-	130	-	-	980	648	-	-	-	-	1,628	79,831
La Peltrie	652,484	2,449	126,517	230	-	-	129,196	3,085	-	(413)	-	-	131,868	784,352
Adam	42,841	850	24,505	-	-	-	25,355	-	-	-	-	-	25,355	68,196
Abitibi Au	173,644	4,250	4,050	-	-	-	8,300	553	-	(861)	-	-	7,992	181,636
Grenville-Appalaches														
Weedon Cu Zn Au	523,230	5,525	-	-	-	-	5,525	553	-	(1,578)	-	-	4,500	527,730
Gatineau Zn	29,024	33	-	-	-	-	33	-	-	-	-	-	33	29,057
Bay-James														
Bay-James Au	261,886	-	-	-	-	-	-	-	-	-	-	-	-	261,886
Eleonore Au	1,629,303	613	-	-	-	-	613	971	-	(224)	-	-	1,360	1,630,663
JV Eleonore Au	124,692	111,202	-	-	-	-	111,202	5,774	-	(40,611)	-	-	76,365	201,057
Québec Labrador														
Ytterby ETR	183,583	-	-	-	-	-	-	-	-	-	-	-	-	183,583
Northern Quebec														
Pallas PGE	369,500	37,898	-	474,576	32,084	-	544,558	1,876	(272,279)	(99,436)	-	-	174,719	544,219
Willbob Au	565,271	65,410	-	45,198	53,438	-	164,046	10,661	-	(59,909)	-	-	114,798	680,069
Projects generation	74,069	-	-	-	-	-	-	-	-	-	-	-	-	74,069
TOTAL	8,041,811	274,491	155,922	523,208	91,315	-	1,044,936	34,536	(282,743)	(215,042)	-	-	581,687	8,623,498

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3. INVESTING ACTIVITIES (CON'T)

Exploration and evaluation expenses	Actual Q1-17			Actual Q1-18			Budget Fiscal 18		
	Midland	Partenaire	Total	Midland	Partenaire	Total	Midland	Partenaire	Total
Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$
100% owned by Midland									
Abitibi Au	8,300	-	8,300	6,624	-	6,624	30,000	-	30,000
Valmond	-	-	-	-	-	-	5,000	-	5,000
Samson	980	-	980	3,735	-	3,735	100,000	-	100,000
Adam	25,355	-	25,355	1,852	-	1,852	100,000	-	100,000
Weedon Cu-Zn-Au	5,525	-	5,525	-	-	-	60,000	-	60,000
Gatineau Zn	33	-	33	33	-	33	5,000	-	5,000
Baie James Au	-	-	-	5,588	-	5,588	300,000	-	300,000
Éléonore Au	613	-	613	9,468	-	9,468	100,000	-	100,000
Willbob	164,046	-	164,046	47,521	-	47,521	2,000,000	-	2,000,000
Pallas PGE Jogmec	272,279	272,279	544,558	-	-	-	5,000	-	5,000
Project generation	-	-	-	14,280	-	14,280	120,000	-	120,000
	477,131	272,279	749,410	89,101	-	89,101	2,825,000	-	2,825,000
With option, operated by Midland and paid by partner									
La Peltrie	129,196	-	129,196	-	546,264	546,264	-	500,000	500,000
With option, operated and paid by partner									
Patris – Teck	-	365,819	365,819	-	944	944	-	15,000	15,000
Heva Au	35,646	-	35,646	-	201,315	201,315	-	500,000	500,000
	35,646	365,819	401,465	-	202,259	202,259	-	515,000	515,000
In joint venture									
Maritime-Cadillac AEM 51\$	160	-	160	739	769	1,508	100,000	100,000	200,000
Vermillon – Soquem 53,4%	-	-	-	236	270	506	5,000	5,000	10,000
Laflamme Au– Abcourt 27,4%	1,492	-	1,492	4,875	-	4,875	200,000	-	200,000
Casault – Soquem 50%	6,941	6,939	13,880	129,291	129,292	258,583	300,000	300,000	600,000
Jouvex – Soquem 50%	425	425	850	-	-	-	100,000	100,000	200,000
JV Eleonore 50%	111,202	111,202	222,404	15,146	15,143	30,289	275,000	275,000	550,000
JV BJ Altius 50%	-	-	-	128,832	128,832	257,664	300,000	300,000	600,000
	120,220	118,566	238,786	279,119	274,306	553,425	1,280,000	1,080,000	2,360,000
Grand total	762,193	756,664	1,518,857	368,220	1,022,829	1 391,049	4,105,000	2,095,000	6,200,000

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3. INVESTING 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 director of Midland, qualified person under NI 43-101, has reviewed the following technical disclosure.

ABITIBI

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

Exploration work on the property

During Q1-18, Agnico Eagle finalized the drilling targets and permitting in preparation for the next drilling program scheduled to start during Q2-18. The objective of this new program, initially comprising two to three drill holes totalling 1,000 to 1,500 metres, is to test the potential depth extensions of the gold-bearing zone intersected in drill hole 141-17-36 on the historic Maritime-Cadillac showing. This drill hole 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) (*Note that results are reported as core lengths and that true thicknesses cannot be determined at this time with the information currently available*).

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

Exploration work on the property

Midland is preparing a heliborne magnetic survey to cover the southern claim block. This survey is scheduled for Q2-18.

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

Exploration work on the property

During Q1-2018, a diamond drilling campaign consisting of five (5) drill holes with a minimum spacing of 100 metres between drill holes and totalling 1,638.0 metres was completed on the Casault property. During this campaign, a significant gold system including four (4) new parallel gold zones, named Vortex 475, 450, 435 and 425, was identified. The envelope encompassing these mineralized zones forms a corridor approximately 50 metres wide.

The most important gold zone identified to date at Vortex, Zone 450, was intersected at shallow vertical depth (75 to 250 metres) in all the drill holes of this campaign, over a strike length of at least 500 metres. The zone trends east-west and is steeply dipping to the north; it remains open in all directions.

Zone Vortex 450 (best results)

- 1.38 g/t Au over 26.5 m, incl. 7.87 g/t Au over 2.2 m, incl. 14.55 g/t Au over 0.8 m (CAS-17-96)
- 1.30 g/t Au over 23.5 m, incl. 3.46 g/t Au over 6.0 m, incl. 23.6 g/t Au over 0.5 m (CAS-17-95)
- 2.10 g/t Au over 6.7 m, incl. 6.82 g/t Au over 0.4 m and 5.58 g/t Au over 0.4 m (CAS-17-93)
- 1.91 g/t Au over 7.2 m, incl. 5.18 g/t Au over 1.4 m (CAS-17-94)

Zone 435, located approximately 15 metres south of Zone 450, was intersected mainly to the west, in drill holes CAS-17-93 and CAS-17-94. This zone remains open to the west and at depth.

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Zone Vortex 435 (best results)

- 3.50 g/t Au over 2.8 m, incl. 5.0 g/t Au over 0.95 m (CAS-17-93)

In addition to zones 450 and 435, two other zones with anomalous gold values (475 and 425) were intersected in a few drill holes, approximately 25 metres north of Zone 450 and approximately 10 metres south of Zone 435 respectively. Drill hole CAS-17-96 intersected an interval grading 18.7 g/t Au over 0.50 metre in Zone 475.

This drilling campaign, completed in the fall of 2017, targeted the strike extensions of a new gold zone that was initially identified in drill hole CAS-17-86 on section 628 100E near the Sunday Lake. This drill hole intersected a gold-bearing interval grading 3.1 g/t Au over 1.40 metres (180.50 to 181.90 m), including 3.94 g/t Au over 0.90 metre (181.00 to 181.90 m). This zone was included within a wider envelope with anomalous gold values and strong hematite, carbonate and albite alteration that graded 0.56 g/t Au over 16.0 metres, from 180.50 to 196.50 metres.

Following this discovery, a new drilling program has been approved and will be completed during Q2-18. This program will consist in a minimum of nine (9) drill holes totalling approximately 3,500 metres and its main objective will be to test the strike extensions of the Vortex zone at a 100-metre spacing to the east, and a 200-metre spacing to the west. The program will also test the continuity of the Vortex zone at a vertical depth of 250 metres, below drill holes CAS-17-93, CAS-17-95 and CAS-17-96. Subsequent to this campaign, which is scheduled to begin in mid-February, the Vortex zone will have been tested over a strike length of more than 800 metres and to vertical depths ranging from the surface to approximately 250 metres. This campaign is also expected to result in the identification of new vectors to locate the core of this major gold system.

3.4 Heva (Au), in partnership with IAMGOLD and operated by IAMGOLD

Exploration work on the property

During Q1-18, 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. Assays are pending.

3.5 La Peltrie (Au), in partnership with Niobay and operated by Midland

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. Final and complete assays are pending.

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.

GRENVILLE-APPALACHES

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

Exploration work on the property

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

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3. INVESTING ACTIVITIES (CONT'D)

JAMES BAY

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

Exploration work on the property

During Q1-18, Osisko prepared a ground geophysical survey (IP-OreVision) in order to try to find the source of the Cu-rich boulders found in prospection during the summer of 2017. This important IP-OreVision survey will be completed during Q2-18. 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. Mineralisation consists in decimeter-thick, disseminated chalcopyrite ribbons in the boulders. 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 meters diameter zone, which suggests a local source. Pyrrhotite-bearing diorite outcrops were observed near the boulders but the source of the copper mineralization has not been found yet.

3.8 JV JB Altius, I partnership with Altius, operated by Midland

Exploration work on the property

Midland and its partner Altius held a technical meeting where the strategy for 2018 was discussed. Midland will generate another list of exploration targets that will be verified in the field during next summer. Also, additional trenching and prospecting will be conducted on the Shire-Zn and Moria-Ni 2017 discoveries. In the meantime, Midland and Altius started the marketing of those discoveries in order to try to find new partners for those projects (third parties).

3.9 Éléonore Gold Properties (Au), operated by Midland

Exploration work on the property

No exploration work conducted during Q1-18. Midland is preparing the next summer field program.

3.10 James Bay Gold (Au), operated by Midland

Exploration work on the property

No exploration work conducted during Q1-18. Midland is preparing the next summer field program.

NORTHERN QUEBEC

3.11 Willbob (Au), operated by Midland

Property description

On October 2, 2017, the Corporation signed an acquisition agreement whereby it acquired 9 claims for a \$10,000 cash payment and a 2% net smelter return ("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.

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3. INVESTING ACTIVITIES (CONT'D)

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.

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.

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3. INVESTING ACTIVITIES (CONT'D)

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.

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.

Midland is preparing the next summer program that will consist in prospecting, channel sampling followed during the fall by a drilling program to test the best summer discoveries.

4. RISK FACTORS AND FORWARD LOOKING INFORMATION

For the risk factors and forward looking information, refer to the annual management discussion and analysis of September 30, 2017.

February 15, 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 ³⁾
Germain Carrière ^{1) 2) 3)}
Jean-Pierre Janson, Chairman of the board ^{1) 2)}
Gino Roger
Robert I. Valliant ^{1) 3)}

Notes:

- 1) *Member of the Audit committee*
- 2) *Member of the Compensation Committee*
- 3) *Member of the Corporate Governance Committee*

Officers

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Mario Masson, Vice-president Exploration
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