



Midland Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Three months ended December 31, 2020

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

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 Q1-21. This MD&A Highlights should be read in conjunction with the Corporation’s condensed interim consolidated financial statements as at December 31, 2020 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, 2020. 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
Q1-20	October 1, 2019 to December 31, 2019
Q2-20	January 1, 2020 to March 31, 2020
Q3-20	April 1, 2020 to June 30, 2020
Q4-20	July 1, 2020 to September 30, 2020
Fiscal 20	October 1, 2019 to September 30, 2020
Q1-21	October 1, 2020 to December 31, 2020
Q2-21	January 1, 2021 to March 31, 2021
Q3-21	April 1, 2021 to June 30, 2021
Q4-21	July 1, 2021 to September 30, 2021
Fiscal 21	October 1, 2020 to September 30, 2021

1. NATURE OF ACTIVITIES

Midland, incorporated on October 2, 1995 and operating under the Business Corporations Act (Québec), is a company in the mining exploration business. The Corporation’s operations include the acquisition and exploration of mining properties. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the MD ticker.

2. OVERALL PERFORMANCE

2.1 Highlights of exploration work in Q1-21

- New Syenite-Associated gold system identified on Samson
- New gold-bearing zone identified on Maritime-Cadillac
- Drilling programs in preparation on Samson, Lewis, Casault & Gaudet JV
- New acquisition along the extension of Sunday Lake fault zone - Nomans project
- New acquisition for Ni-Cu in Grenville

2.2 Working capital

Midland has a working capital of \$11,901,820 as of December 31, 2020 (\$10,973,875 as of September 30, 2020), which will allow the Corporation to execute its exploration program for at least the next three years.

2.3 Private placements

On November 5, 2020, the Corporation completed private placement of 1,827,800 flow-through shares at \$1.25 per share for total gross proceeds of \$2,284,750. In connection with the private placements, the Corporation incurred \$133,543 share issue expensed of which \$101,265 was paid as finder’s fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$160,000 under the same terms as other investors.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

2. OVERALL PERFORMANCE (CONT'D)

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

2.4 Outstanding share data

	As at February 11, 2021 Number	As at December 31, 2020 Number
Common shares	72,278,052	70,354,043
Options	4,940,000	4,940,000
Warrants	-	555,555
	77,218,052	77,773,607

2.5 Results of operations

As operator, Midland incurred exploration expenditures totalling \$387,120 (\$848,640 in Q1-20), on its properties of which \$58,214 was recharged to its partners (\$1,890 in Q1-20). The operating partners incurred \$131,588 exploration expenses in Q1-21 (none in Q1-20). Also, the Corporation invested \$167,863 (\$162,131 in Q1-20) to complete several property acquisitions or renew its claims in Quebec of which none was recharged to its partners (\$5,404 in Q1-20).

The Corporation reported a loss of \$349,891 in Q1-21 compared to \$318,903 for Q1-20.

Operating expenses decreased to \$385,717 (\$470,302 in Q1-20):

- Conference and mining industry involvement \$4,291 (\$102,249 in Q1-20). Several conferences were cancelled following the Covid.
- Professional fees increased to \$141,128 (\$55,127 in Q1-20). Fees of \$49,809 (nil in Q1-20) were incurred relating to the mandate given to an external firm to develop rules and procedures in health and safety. Fees of \$21,544 were incurred (nil in Q1-20) relating to the Perrault Consulting mandate to analyse the management and the directors' compensation, compare it to market and provide recommendations.

Interest income decreased to \$28,765 (74,463 in Q1-20). The weighted average interest rate earned on the investments is half of that earned in Q1-20.

Change in fair value – listed shares decreased to a loss of \$37,667 (gain of \$20,000 in Q1-20). A loss of \$46,000 was recorded on the Niobay Metals Inc. shares (gain of \$20,000 in Q1-20). A gain of \$8,333 was recorded on the share of Probe Metals inc. ("Probe") (nil in Q1-20). Those shares were received as part of option agreement on properties.

Midland is pleased to announce also that it has retained Independent Trading Group ("ITG") to provide market making services in accordance with the Exchange policies. ITG will trade the securities of Midland on the TSXV for the purposes of maintaining an orderly market. In consideration of the services provided by ITG, Midland will pay ITG a monthly cash fee of \$5,000, commencing February 1, 2021. The services will have a minimum term of three months. After the third month of the term, this agreement may be terminated by Midland on 30-day written notice.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Deferred exploration expenses Q1-21	Balance Sept. 30, 2020	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance Dec 31, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi													
Adam	277,523	3,354	-	-	-	3,354	270	-	-	-	-	3,624	281,147
Casault Au	2,270,451	-	-	2,922	-	2,922	1,429	(2,922)	-	-	-	1,429	2,271,880
Coigny	1,066	-	-	-	-	-	-	-	-	-	-	-	1,066
Gaudet	152,523	2,703	2,873	3,076	17,312	25,964	-	-	-	-	-	25,964	178,487
Guyberry	1,238	5,403	-	-	-	5,403	-	-	-	-	-	5,403	6,641
Heva Au	277,022	787	-	400	-	1,187	-	-	-	-	-	1,187	278,209
Jeremie	92,875	-	-	-	-	-	-	-	-	-	-	-	92,875
Jouvex Au	678,490	8,714	-	-	-	8,714	-	-	(2,184)	-	-	6,530	685,020
La Peltrie Au	1,105,925	1,322	-	307	-	1,629	-	(307)	(576)	-	-	746	1,106,671
Lac Esther	5,671	648	-	-	323	971	-	-	-	-	-	971	6,642
Laflamme Au	3,111,173	7,716	-	459	-	8,175	354	-	(2,634)	-	-	5,895	3,117,068
Lewis	74,460	63,709	27,461	-	4,613	95,783	-	-	(23,711)	-	-	72,072	146,532
Mar.Cadillac Au	481,033	-	-	8,708	-	8,708	624	-	-	-	-	9,332	490,365
Mistaouac	253,865	3,354	-	-	-	3,354	-	-	-	-	-	3,354	257,219
Noyelles	3,165	-	-	-	-	-	-	-	-	-	-	-	3,165
Patris Au	241,217	1,371	-	1,432	855	3,658	-	-	-	-	-	3,658	244,875
Samson	805,247	19,676	-	12,135	1,783	33,594	270	-	(8,914)	-	-	24,950	830,197
Turgeon	202,050	-	-	-	-	-	-	-	-	-	-	-	202,050
Wawagasic	32,949	-	-	-	-	-	-	-	-	-	-	-	32,949
Grenville													
Gatineau Zn	37,064	-	-	-	-	-	-	-	-	-	-	-	37,064
Gatineau JV	43,151	16,756	-	217	-	16,973	-	-	(3,371)	-	-	13,602	56,753
Grenville Ni	-	13,475	-	-	241	13,716	-	-	(1,160)	-	-	12,556	12,556
Weedon Cu Zn Au	755,893	1,140	-	-	-	1,140	-	-	-	-	-	1,140	757,033
James Bay													
BJ Eleonore Au	1,779,453	-	-	-	-	-	193	-	-	-	-	193	1,779,646
BJ Gold	474,613	-	-	-	-	-	238	-	-	-	-	238	474,851
Elrond	80,653	113	-	-	-	113	-	-	-	-	-	113	80,766
Fangorn	15,950	-	-	-	-	-	-	-	-	-	-	-	15,950
Helms	65,026	-	-	-	-	-	-	-	-	-	-	-	65,026
JV Eleonore Au	617,865	-	-	-	-	-	-	-	-	-	-	-	617,865
Komo	52,950	4,863	-	-	6,517	11,380	-	-	(4,037)	-	-	7,343	60,293
McDuff	34,138	-	-	-	-	-	-	-	-	-	-	-	34,138
Minas Tirith	41,895	-	-	-	-	-	-	-	-	-	-	-	41,895
Moria	133,830	787	-	-	-	787	-	-	(344)	-	-	443	134,273
Mythril	5,110,948	38,182	-	2,705	28,472	69,359	3,057	-	(20,344)	-	-	52,072	5,163,020

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Deferred exploration expenses Q1-21	Balance Sep 30, 2020	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance Dec. 31, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Shire	243,885	-	-	-	-	-	-	-	-	-	-	-	243,885
Wookie	22,202	-	-	-	1,617	1,617	-	-	(708)	-	-	909	23,111
North													
BHP Ni	-	37,015	-	-	17,970	54,985	-	(54,985)	-	-	-	-	-
Nachicapau	15,778	-	-	-	-	-	-	-	-	-	-	-	15,778
Pallas	542,124	-	-	-	-	-	-	-	-	-	-	-	542,124
Soissons	106,746	-	-	-	-	-	-	-	-	-	-	-	106,746
Soissons NMEF	69,180	2,207	-	-	1,623	3,830	-	-	-	-	-	3,830	73,010
Willbob Au	3,196,684	1,203	-	8,550	51	9,804	-	-	(2,727)	-	-	7,077	3,203,761
Generation	37,318	-	-	-	-	-	-	-	-	-	-	-	37,318
TOTAL	23,545,289	234,498	30,334	40,911	81,377	387,120	6,435	(58,214)	(70,710)	-	-	264,631	23,809,920

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Deferred exploration expenses Q1-20	Balance Sep 30, 2019	Geology	Geophysics	Drilling	Geo chemistry	Line cutting	Sub total	Stock-based comp. d'actions	Recharge	Tax credits	Option payments	Write-off	Net change	Balance Dec 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi Au	94,685	13,114	-	-	-	-	13,114	-	-	(1,899)	-	(13,672)	(2,457)	92,228
Adam	273,436	3,352	-	-	-	-	3,352	-	-	(1,502)	-	-	1,850	275,286
Casault Au	2,188,205	-	13,995	2,625	906	-	17,526	1,832	(1,765)	(7,007)	-	-	10,586	2,198,791
Heva Au	276,312	-	-	-	-	-	-	-	-	-	-	-	-	276,312
Jouvex Au	623,657	5,008	-	251	-	9,122	14,381	909	(125)	(1,475)	-	-	13,690	637,347
La Peltrie Au	1,098,627	2,480	-	-	-	-	2,480	-	-	(1,080)	-	-	1,400	1,100,027
Laflamme Au	2,808,975	9,984	-	31,006	-	-	40,990	839	-	(5,848)	-	-	35,981	2,844,956
Mar.Cadillac Au	404,866	3,375	-	-	-	-	3,375	-	-	(1,139)	-	-	2,236	407,102
Mistaouac	229,698	-	-	-	-	-	-	-	-	-	-	-	-	229,698
Patris Au	236,236	1,074	-	-	-	-	1,074	-	-	(242)	-	-	832	237,068
Samson	172,346	14,840	112,314	-	905	18,963	147,022	-	-	(37,355)	-	-	109,667	282,013
Turgeon	199,191	-	-	-	-	-	-	-	-	-	-	-	-	199,191
Wawagosic	32,949	-	-	-	-	-	-	-	-	-	-	-	-	32,949
Gatineau Zn	16,070	293	-	-	-	-	293	-	-	(8)	-	-	285	16,355
Weedon Cu Zn Au	703,918	59,373	-	-	-	-	59,373	-	-	(8,058)	-	-	51,315	755,233
BJ Eleonore Au	1,774,421	3,120	-	-	910	-	4,030	-	-	(1,791)	-	-	2,239	1,776,660
BaieJames Au	441,537	10,833	-	-	-	-	10,833	-	-	(3,267)	-	-	7,566	449,103
Elrond	69,052	9,988	-	-	-	-	9,988	-	-	(3,899)	-	-	6,089	75,141
Fangorn	11,685	-	-	-	-	-	-	-	-	-	-	-	-	11,685
Helms	56,797	12,494	-	-	580	-	13,074	-	-	(5,822)	-	-	7,252	64,049
JVEleonore Au	616,676	-	-	-	-	-	-	573	-	-	-	-	573	617,249
Minas Tirith	37,631	-	-	-	-	-	-	-	-	-	-	-	-	37,631
Moria	129,564	-	-	-	-	-	-	-	-	-	-	-	-	129,564
Mythril	4,387,395	119,749	50,000	18,607	227,502	-	415,858	7,635	-	(160,535)	-	-	262,958	4,650,353
Shire	239,620	-	-	-	-	-	-	-	-	-	-	-	-	239,620
Pallas	542,124	-	-	-	-	-	-	-	-	-	-	-	-	542,124
Soissons	53,994	12,471	-	-	-	-	12,471	-	-	(2,950)	-	-	9,521	63,515
Soissons Nmef	47,710	-	-	-	-	-	-	-	-	-	-	-	-	47,710
Willbob Au	3,104,919	23,664	-	8,385	37,345	-	69,394	2,195	-	(26,422)	-	-	45,167	3,150,086
Generation	38,270	10,012	-	-	-	-	10,012	-	-	(4,478)	-	-	5,534	43,804
TOTAL	20,910,566	315,224	176,309	60,874	268,148	28,085	848,640	13,983	(1,890)	(274,777)	-	(13,672)	572,284	21,482,850

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Exploration and evaluation expenses	Actual Q1-20			Actual Q1-21			Budget Fiscal 21		
	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total
Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$
100 % Midland									
Abitibi Gold	13,114	-	13,114	-	-	-	10,000	-	10,000
Adam	3,352	-	3,352	3,354	-	3,354	150,000	-	150,000
Casault	15,76.1	1,765	17,526	-	-	-	-	-	-
Coigny	-	-	-	-	-	-	5,000	-	5,000
Fleuribleu	-	-	-	-	-	-	5,000	-	5,000
Gaudet	-	-	-	-	-	-	-	-	-
Guyberry	-	-	-	5,403	-	5,403	40,000	-	40,000
Heva Au	-	-	-	1,187	-	1,187	5,000	-	5,000
Jeremie	-	-	-	-	-	-	10,000	-	10,000
Jouvex	14,256	125	14,381	8,589	-	8,589	20,000	-	20,000
La Peltrie	2,480	-	2,480	1,322	-	1,322	-	-	-
Lac Esther	-	-	-	971	-	971	40,000	-	40,000
Lewis	-	-	-	95,783	-	95,783	40,000	-	40,000
Mistaouac	-	-	-	3,354	-	3,354	100,000	-	100,000
Noyelles	-	-	-	-	-	-	5,000	-	5,000
Patris	1,074	-	1,074	3,658	-	3,658	100,000	-	100,000
Samson	147,022	-	147,022	33,594	-	33,594	75,000	-	75,000
Turgeon	-	-	-	-	-	-	50,000	-	50,000
Valmond	-	-	-	-	-	-	5,000	-	5,000
Wawagotic	-	-	-	-	-	-	-	-	-
Gatineau Zn	293	-	293	-	-	-	-	-	-
Grenville Ni	-	-	-	13,716	-	13,716	-	-	-
Weedon Cu-Zn-Au	59,373	-	59,373	1,140	-	1,140	150,000	-	150,000
BJ Éléonore Au	4,030	-	4,030	-	-	-	80,000	-	80,000
BJ Au	10,833	-	10,833	-	-	-	90,000	-	90,000
Elrond	9,988	-	9,988	113	-	113	100,000	-	100,000
Fangorn	-	-	-	-	-	-	5,000	-	5,000
Helms	13,074	-	13,074	-	-	-	5,000	-	5,000
Komo	-	-	-	11,380	-	11,380	15,000	-	15,000
Minas Tirith	-	-	-	-	-	-	5,000	-	5,000
Moria	-	-	-	787	-	787	5,000	-	5,000
Mythril	415 858	-	415 858	69,359	-	69,359	690,000	-	690,000
Shire	-	-	-	-	-	-	5,000	-	5,000
Wookie	-	-	-	1,617	-	1,617	5,000	-	5,000
Nachicapau	-	-	-	-	-	-	5,000	-	5,000
Pallas	-	-	-	-	-	-	5,000	-	5,000
Soissons	12,471	-	12,471	-	-	-	5,000	-	5,000
Willbob	69,394	-	69,394	9,804	-	9,804	50,000	-	50,000
Project Generation	10,012	-	10,012	-	-	-	30,000	-	30,000
	802,385	1,890	804,275	265,131	-	265,131	1,910,000	-	1,910,000

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Exploration and evaluation expenses Properties	Actual Q1-20			Actual Q1-21			Budget Fiscal 21		
	Midland \$	Partners \$	Total \$	Midland \$	Partners \$	Total \$	Midland \$	Partners \$	Total \$
Option									
Casault - Wallbridge	-	-	-	121	28,444	28,565	-	750,000	750,000
La Peltrie – Probe	-	-	-	-	50,543	50,543	-	500,000	500,000
	-	-	-	121	78,987	79,108	-	1,250,000	1,250,000
In joint venture									
Gaudet-Fenelon Probe 50%				25,964	25,964	51,928	500,000	500,000	1,000,000
Laflamme Au– Abcourt 22,1%	40,990	-	40,990	8,175	-	8,175	50,000	-	50,000
Maritime-Cadillac AEM 51%	3,375	-	3,375	8,708	9,063	17,771	100,000	100,000	200,000
Gatineau JV 50%				16,973	16,973	33,946	200,000	200,000	400,000
JV Eleonore Osisko 50%	-	-	-	-	-	-	50,000	50,000	100,000
BHP Ni – Alliance	-	-	-	-	54,985	54,985	-	1,000,000	1,000,000
Soisson NMEF 50%	-	-	-	3,830	3,830	7,660	50,000	50,000	100,000
	44,365	-	44,365	63,650	110,815	174,465	950,000	1,900,000	2,850,000
Grand total	846,750	1,890	848,640	328,902	189,802	518,704	2,860,000	3,150,000	6,010,000

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

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 Syenite-Associated gold system identified on Samson***
- ***New gold-bearing zone identified on Maritime-Cadillac***
- ***Drilling programs in preparation on Samson, Lewis, Casault & Gaudet JV***
- ***New acquisition along the extension of Sunday Lake fault zone - Nomans project***
- ***New acquisition for Ni-Cu in Grenville***

ABITIBI

3.1 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 Q1-21, assays for two (2) drill holes totalling 1,311.0 metres that were completed during the month of September 2020 were received. Drill hole 141-20-41, totalling 879.0 metres and mainly designed to test the down-plunge extension of the Dyke East zone, intersected, near the end of the drill hole, a new gold-bearing zone associated with quartz veins and chlorite-biotite alteration in sediments of the Cadillac Group. This new gold zone yielded an interval grading 9.69 g/t Au over 1.0 metre from 847.3 to 848.3 metres. The Dyke East zone was also intersected, with an interval grading 0.33 g/t Au over 15.3 metres from 761.4 to 776.7 metres, including 1.44 g/t Au over 1.0 metre from 774.5 to 775.5 metres. In addition, a few gold values above 1 g/t Au were also intersected higher up in the drill hole.

The other drill hole (141-20-40) completed during this campaign totalled 432.0 metres and was drilled to test two parallel gold-bearing zones (the South and North zones). No significant results were intercepted.

Agnico Eagle and Midland are reviewing results to evaluate the possibility of conducting further drilling to test this new gold-bearing zone identified in Cadillac sediments in drill hole 141-20-41.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

3.2 Samson (Au)

Property Description

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

Exploration work on the property

As a follow-up to the new gold discovery made in July 2020 at Golden Delilah on the Samson property, a second drilling campaign consisting of seven (7) drill holes totalling 1,810 metres was completed in September 2020.

Drill hole SAM-20-15, collared approximately 350 metres southeast of the Golden Delilah zone, intersected a new gold-bearing zone grading 23.0 g/t Au over 1.05 metre from 317.10 to 318.15 metres. This new zone is included within a wider interval with anomalous gold and arsenic over more than twenty metres, from 314.95 to 337.25 metres. This new zone, hosted at the contact of ultramafic rocks with pyrite and arsenopyrite mineralization, coincides with a fold nose clearly outlined by the magnetic survey and remains open in all directions.

Upon reception and interpretation of analytical results in early 2021, the geochemical affinity of numerous dykes and an intrusive stock was confirmed as being alkaline. Compositions range from monzonites to quartz monzonites, monzodiorites and monzogabbros. All of the main mineralized zones observed in 2020 drill holes are intimately associated with these dykes of alkaline affinity. The mineralized zones also exhibit brecciated textures and brittle faulting, typical of mineralization emplaced at shallow depths, in epithermal conditions. The Golden Delilah zone (see below) shows an uncommon metal assemblage with silver-gold-lead-antimony-arsenic, also typical of neutral epithermal mineral deposit types. These observations strongly suggest that mineral occurrences observed on Samson in 2020 represent the external parts of a magmatic-hydrothermal system associated with alkaline dykes, either of the syenite-associated disseminated gold (Robert, 2001) or of the intrusion-related gold (Hart et al., 2007) variety.

3.3 Lewis (Au)

Property Description

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

Exploration work on the property

In October 2020, a mechanical stripping program was conducted to further assess the Red Giant showing discovered by prospecting in the summer of 2020 in the northwest part of the Lewis project, approximately 8 kilometres northeast of the former Lac Shortt mine. These occurrences yielded several anomalous gold values in grab samples, with grades ranging from 0.2 g/t Au to 2.1 g/t Au.

Stripping and channel sampling completed in October have confirmed the presence of a new gold-bearing structure over a width of more than 9 metres and a lateral distance of at least 25 metres. The gold-bearing zone is oriented east-west, shows increasing grade/thickness values westward, and remains completely open in this direction. Pyrite mineralization (3-5%) and quartz-carbonate veins are hosted in a mafic volcanic rock with strong ankerite and chlorite alteration. A total of four channel samples spaced 7 to 10 metres apart were collected on this structure over a lateral distance of 25 metres. From west to east, the channel samples yielded the following results:

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

- Channel #1: 0.35 g/t Au over 9.0 metres, including 1.28 g/t Au over 1.0 metre
- Channel #2: 0.38 g/t Au over 8.0 metres, including 1.10 g/t Au over 1.0 metre
- Channel #3: 0.68 g/t Au over 3.0 metres, including 1.52 g/t Au over 1.0 metre
- Channel #5: 0.30 g/t Au over 2.0 metres

In addition, Midland has approved a geophysical OreVision IP survey set to begin in February and totalling more than 30 kilometres, to investigate the extensions of this showing over a lateral distance of more than 3 kilometres. A drilling program will follow during Q3-21 to test the best targets.

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

Property Description

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

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

On July 9, 2020, the Corporation signed an option agreement with Probe whereby Probe may earn a 50% interest in the La Peltrie property in consideration of the following:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	50,000	50,000 ¹⁾	-	-
On or before July 31, 2021	55,000	-	500,000	257,091
On or before July 31, 2022	70,000	-	700,000	-
On or before July 31, 2023	100,000	-	1,200,000	-
On or before July 31, 2024	125,000	-	1,100,000	-
Total	400,000	50,000	3,500,000	257,091

1) In July 2020, the Corporation received 37,879 shares of Probe based on a 5 days VWAP calculation to total \$50,000.

Probe is the operator.

After exercising this first option to earn a 50% interest, Probe may increase its interest to 65% (the second option) over a period of 2 years in consideration of exploration expenditures or cash payment totalling \$5,000,000.

Exploration work on the property

The final results of a high-resolution magnetic survey that covered the northern portion of the property were received. Also, a biogeochemical survey was started and will be completed during Q2-21. Following the reception of those results, a geophysical program (IP) and drilling will be planned during Q2-21 and Q3-21.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

3.5 Gaudet-Fenelon (Au), in partnership avec Probe, operated by Probe

Property Description

On March 18, 2020, the Corporation signed an agreement with Ingrid Martin CPA inc. ("IMCPA") (a company controlled by Ingrid Martin, officer of the Corporation) whereby it acquired a bloc of claims contiguous to the Gaudet property for \$5,000 and the Guyberry property for \$3,000, for a total amount of \$8,000. IMCPA acquired these claims from a third party for that same amount of \$8,000. The Gaudet claims are subject to a 1% NSR royalty relating to a prior third party agreement.

On July 29, 2020, the Corporation signed a joint venture agreement with Probe over the Gaudet and Samson North West properties from the Corporation as well as the Fenelon-Nantel property of Probe. Probe is the operator.

Exploration work on the property

The final results of a high-resolution magnetic survey that covered the Samson NW block of the JV were received. A biogeochemical survey is also in progress on the Gaudet block. A 75 km induced polarization (IP) survey is planned for Q2-21 and will cover a folded magnetic structure on the Nantel block. Upon reception of these results, a drilling program will be carried out during Q3-21 or Q4-21 to test the best targets.

3.6 Casault (Au), option agreement with Wallbridge, operated by Wallbridge

Property Description

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

On June 16, 2020, the Corporation signed an option agreement with Wallbridge whereby Wallbridge may earn a 50% interest in the Casault property in consideration of the following:

	Cash payments		Exploration work	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signature	100,000	100,000	-	-
On or before June 30, 2021	110,000	-	750,000	40,539
On or before June 30, 2022	110,000	-	1,000,000	-
On or before June 30, 2023	130,000	-	1,250,000	-
On or before June 30, 2024	150,000	-	2,000,000	-
Total	600,000	100,000	5,000,000	40,539

Wallbridge is the operator.

After exercising this first option to earn a 50% interest, Wallbridge may increase its interest to 65% (the second option) over a period of 2 years in consideration of exploration expenditures or cash payment totalling \$6,000,000.

Exploration work on the property

During Q1-21, a thorough compilation of the historical data and a targeting process were completed on the Casault project by Wallbridge. Final targets are being prioritized and drilling is expected to commence during Q2-21 or Q3-21.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

3.7 Nomans (Au)

Property Description

On December 16, Midland announced the acquisition, by map designation, of 100% interest in 773 claims (425 km²) located approximately 60 kilometres east of the town of Matagami, Abitibi, Quebec, and adjacent to the west of the Chebistuan property held by Kenorland Minerals and currently optioned to Newmont.

This new gold project, named Nomans, consolidates a new strategic position acquired by Midland along the possible extension of the Sunday Lake Fault in northern Abitibi, approximately 130 kilometres east of the Fenelon and Tabasco deposits held by Wallbridge Mining Company Ltd.

Exploration work on the property

During Q1-20, Midland started a compilation of historical works conducted on this new property. A proposal for a regional till sampling program is being prepared.

GRENVILLE-APPALACHES

3.8 Gatineau (Zn), in partnership with SOQUEM, operated by SOQUEM

Property Description

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

On February 20, 2020, the Corporation signed a strategic alliance with SOQUEM, in which SOQUEM transferred to the Corporation its 50% interest in the Casault and Jouvex properties in exchange for:

- A 1% NSR royalty; Midland may, at any time, buy back the royalty, in all or in part, by making a cash payment of \$1,000,000 per tranche of 0.5% NSR; and
- 50% undivided interest in a joint venture relating to seven existing mining properties forming the Gatineau project.

As part of this new strategic alliance:

- The projects acquired under the target generation program will be declared designated projects once the mining rights have been acquired.
- Each designated project will be the object of a distinct joint venture agreement, the terms of which will be similar to the joint venture agreements to be signed relating to the active properties.
- The parties are not subject to budgetary obligations under the target generation program.
- The target generation program will last for a period of 2 years unless it is extended by mutual written consent of both parties.
- SOQUEM will be project manager under the target generation program and for all joint ventures formed on designated projects; the Corporation may assign up to 30% of personnel.

Exploration work on the property

A compilation of historical works within the area of interest and targeting are still in progress for a possible field follow-up during Q2-21 and Q3-21.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

3.9 Tête Nord (Ni-Cu)

Property Description

This property is located about 15 km east of the town of La Tuque and comprises a total of 831 claims forming five (5) separate blocks and covering approximately 460 square kilometres. A total of 775 claims were acquired at 100 % by Midland by map designation during Q1-21 and an additional 56 claims were acquired by purchase on November 13th, 2020 from Les Ressources Tectonic Inc. (\$100,000 of which \$30,000 is payable upon signature, \$35,000 on the first anniversary and \$35,000 on the second anniversary) and are subject to NSR royalties of 2%, the Corporation can buy it back the royalty for \$1,500,000 per 1.0% tranche for a total of \$3,000,000.

Exploration work on the property

Midland is compiling the historical works on the property and prospecting is planned for Q3-21 and Q4-21.

JAMES BAY

3.10 Komo (Au)

Property Description

The Corporation acquired by map designation the Komo project with strong gold potential totalling 393 claims (20,743 hectares), located near the recent Patwon gold discovery made by Azimut Exploration Inc. ("Azimut") on its Elmer project (Eeyou Istchee James Bay, Quebec). The western part of the project lies approximately 7 kilometres south of the Azimut discovery.

The Komo project covers, over nearly 40 kilometres, the same volcanic belt that hosts the Patwon discovery. Azimut recently announced several significant gold-bearing drill intercepts on Patwon, namely 3.15 g/t Au over 102.0 metres, including 10.1 g/t Au over 20.5 metres (press release by Azimut dated January 14, 2020).

The Komo project also covers, over approximately 30 kilometres, the highly prospective contact between the La Grande and Opinaca/Nemiscau geological subprovinces. This contact hosts most of the known gold deposits in the James Bay region, namely the Eleonore mine (Newmont) and the La Pointe and Cheechoo deposits. The portion of the project located nearest the Patwon discovery shows a structural setting highly favourable for gold, with a folded gabbro unit located in the pressure shadow of a large-scale intrusion. A historical molybdenum-copper occurrence on the project also indicates potential for porphyry-type mineralization on Komo.

Exploration work on the property

The highlight of the Q4-20 exploration program on Komo is the identification of a new area with anomalous gold based on the results of a prospecting campaign and a soil geochemistry survey conducted in the late summer of 2020.

This new gold-bearing area, which extends for approximately 500 metres along a northeast strike, is characterized by five (5) anomalous gold values in soils (B horizon) ranging from 24 ppb Au to 123 ppb Au, whereas background values in the area are generally below 10 ppb Au. This cluster of gold values in soils, combined with two (2) new gold values obtained in grab samples, at 0.15 g/t Au and 0.22 g/t Au, mark this area as a new unexplored high-priority exploration target. The gold occurrences are characterized by the presence of fractured felsic to mafic volcanoclastic host rocks altered to epidote and containing quartz veins and trace to 1% disseminated pyrite.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Less than 1 kilometre southwest of this anomalous area, another grab sample yielded values of 0.25 g/t Au and 0.1% Cu in rhyolites containing 1% disseminated pyrite-pyrrhotite with trace chalcopyrite. The rhyolites exhibit calc-silicate alteration with the presence of amphiboles, which may be indicative of a metamorphosed distal orogenic alteration.

3.11 Mythril & Mythril Regional (Cu-Au-Mo-Ag)

Property Description

The Mythril property and consists as at September 30, 2020 of 2,197 (112,035 hectares). The Corporation impaired partially the property for the claims that were dropped for \$150,690 in Q2-20 YTD.

Exploration work on the property

During the winter of 2020, a pole-dipole (n=20) induced polarization survey, designed to test the deeper bedrock, was initiated in the vicinity of the fault hosting the Faramir showing, to identify chargeability (IP) anomalies indicative of the more mineralized parts of the Cu-Mo system. About 50% of the survey was completed before it had to be interrupted due to the COVID-19 crisis.

Within the survey grid, the IP line located furthest to the southeast shows a deep chargeability anomaly in the fault zone, which may represent a more strongly mineralized part of the system. The remainder of the IP survey, totalling approximately 20 kilometres, will be completed during the winter of 2021, in preparation for a possible drilling program in the summer of 2021.

During the past year, a 3D geological model of mineralization in the main area of the Mythril project was built using Leapfrog, to improve our understanding of the controls of the mineralized system at Mythril. Modelling of the mineralized envelope was carried out to determine where additional Cu-Au-Mo-Ag mineralization may be discovered. In addition, new drilling targets were identified by studying relationships between geology, alteration and geophysics. Some of these targets consist of untested areas where a favourable geological and geophysical setting was identified. These settings include IP anomalies characterized by chargeability highs and/or magnetic anomalies near the southern contact with the conglomerate unit. Other targets consist of possible extensions of higher-grade mineralized zones.

Midland is currently finalizing the details and logistical planning of a drilling campaign totalling more than 2,000 metres, scheduled to begin in Q3-21.

NORTHERN QUEBEC

3.12 BHP Alliance (NI)

Alliance Description

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

The main objective of this Alliance is to identify, test and develop high-quality exploration targets towards the discovery of new significant nickel deposits within a large area of interest (“AOI”). BHP and Midland are combining their efforts by forming a technical steering committee (“TSC”) and pooling their large historical databases including geological, geophysical and geochemical data.

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Generative Phase (I)

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

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

Testing Phase (II)

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

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

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

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

BHP may decide to advance any Designated Project to the third phase as a joint venture project (“JV Project”).

Joint Venture Phase (III)

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

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

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

Midland Exploration Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2020

3. EXPLORATION ACTIVITIES (CONT'D)

Exploration work in the area of interest

During Q4-20, two weeks of prospecting were completed within the area of interest. The best grab samples results returned 0.61% Ni, 0.34% Cu, 0.11% Co and 82 ppb Pd. The sample is a massive 2-10 cm thick sulphide horizon injected in a fracture in a strongly rusted pyroxenite.

February 11, 2021

(s) Gino Roger

Gino Roger
President and CEO

(s) Ingrid Martin

Ingrid Martin
CFO

Midland Exploration Inc.

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Germain Carrière ^{1) 2)}

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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*

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