



Annual Report September 30, 2021

Midland Exploration Inc.
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Midland Exploration inc.

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Midland Exploration Inc.

Message to Shareholders

For the fiscal year ended September 30, 2021

Dear Shareholders,

It is a sincere pleasure for me to present the 2021 Annual Report for Midland Exploration Inc. (“Midland” or the “Company”).

Midland is a dynamic and proactive mineral exploration company that is led by a highly respected and experienced management and technical team with a strong reputation in the mining industry and a proven mine-finding track record. As always, Midland targets the excellent mineral potential and the favourable investment climate of Quebec to discover new world-class gold and base metal deposits. Despite the fact that 2021 continued to be marked by the COVID-19 pandemic, we were able to conduct several successful exploration campaigns following the implementation of very strict COVID protocols within our organization. Midland continued to deploy its business model based on partnerships this year and is truly proud to count on reputable partners such as BHP Canada Inc., Rio Tinto Exploration Canada Inc., Agnico Eagle Mines Limited, Osisko Development Corp., Probe Metals Inc., Wallbridge Mining Company Ltd, SOQUEM Inc., the Nunavik Mineral Exploration Fund, and Abcourt Mines Inc. We are currently in discussions with several potential new partners to quickly conclude new option agreements in the coming months.

Midland continues to pursue its strategy of exploring in partnership across Quebec and achieved significant progress once again in 2021, with the signing of two new partnership agreements and the discovery of several new mineralized zones on its various projects. One of the main highlights of the year was certainly the start of a new partnership with the 2nd largest mining company in the world, Rio Tinto. A new option agreement was signed in December for the Tête Nord nickel project with Rio Tinto Exploration Canada Inc. Major exploration work will begin in the coming weeks under this new option agreement.

Among the highlights of our exploration efforts in 2021, the discovery of a new gold-bearing structure on the Casault project in partnership with Wallbridge certainly stands out. This new discovery yielded a grade of **6.85 g/t Au over 2.00 metres** from 254.40 to 256.50 metres. A drilling program totalling at least 2,000 metres is planned for the winter of 2022. This drilling program will test the strike and depth extensions of this new gold-bearing structure. Prospecting work was carried out on the new Lewis gold project (generated and acquired in 2020) during the summer of 2021 and led to the discovery of new gold showings approximately 10 kilometres northeast of the former Lac Shortt mine. These showings yielded several anomalous values in grab samples with grades up to **10.1 g/t Au** (Golden Nest showing). This promising new gold anomalous zone has never been drill-tested and extends over more than 400 metres along strike. Stripping and channel sampling were recently conducted on this zone, and assay results are pending. This new zone is characterized by the presence of numerous quartz-carbonate veins with pyrite mineralization and may be part of the same ENE-trending corridor. During the winter of 2022, Midland will complete its first drilling program to test the best geophysical, geological and geochemical targets.

Finally, drilling will resume in 2022 on the high-grade copper system at Mythril, which was traced over more than 2 kilometres on surface and in drill hole between 2019 and 2021. This drilling program will test new targets recently generated following 3D modelling on the project. The best drill hole of the summer 2021 drilling campaign, drill hole MYT-21-38, intersected a mineralized zone from 56.50 to 85.00 metres depth, grading **0.59% Cu, 0.05 g/t Au, 1.87 g/t Ag and 0.025% Mo (0.74% CuEq.) over 28.50 metres**, including **1.02% Cu, 0.09 g/t Au, 2.62 g/t Ag and 0.048% Mo (1.29% CuEq.) over 10.50 metres** from 56.50 to 67.00 metres. This interval includes two high-grade zones that returned **8.73% Cu, 1.29 g/t Au, 22.4 g/t Ag and 0.87% Mo (13.2% CuEq.) over 0.50 metre** from 57.80 to 58.30 metres, and **3.50% Cu, 0.11 g/t Au, 6.17 g/t Ag and 0.04% Mo (3.77% CuEq.) over 1.20 metres** from 59.80 to 61.00 metres. This entire zone is included in a wider interval that graded **0.25% CuEq. over 104.60 metres** from 18.0 to 122.60 metres. Follow-up work including geophysics and drilling will also be completed in the coming months on new mineralized zones identified on the Mythril Regional project. In August 2021, a prospecting campaign led to the discovery of two new high-grade boulders on the Chisaayuu block of the Mythril Regional project. These two gold-bearing boulders are located approximately 75 kilometres east of the Cu-Au-Ag-Mo Mythril zone. The two mineralized boulders discovered this summer on Chisaayuu yielded respective values of **10.25 g/t Au, 8.02 g/t Ag (Boulder 1) and 7.99 g/t Au, 166 g/t Ag, 0.4% Cu and 0.07% Mo (Boulder 2)**. A till sampling program is currently in preparation for the summer of 2022, as a follow-up and to locate the source of these boulders.

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Finally, major geophysical programs (VTEM surveys) and prospecting campaigns were carried out over the summer and fall of 2021 under our new strategic alliances with BHP and SOQUEM in Quebec's Far North (Kuujuuaq area).

Here are the main highlights of the past year:

- **New option agreement with Rio Tinto Exploration Canada Inc. on the Tête Nord nickel project**
- **New syenite-associated gold system identified on Samson**
- **New acquisition along the extension of the Sunday Lake Fault with the Nomans project**
- **New acquisition in the Grenville for Ni-Cu**
- **New Strategic Alliance with SOQUEM in the Labrador Trough**
- **New high-grade gold showing (Golden Nest) discovered on Lewis**
- **Drilling programs completed on Samson and Mythril**
- **Drilling programs starting on Casault (5,000 metres) and Gaudet-Fenelon JV (4,500 metres)**
- **New VTEM anomalies identified under the Nickel Alliance with BHP in Nunavik**
- **Several new biogeochemistry anomalies identified in Abitibi**
- **New gold-bearing zone on Casault, grading 6.85 g/t Au over 2.0 metres in drill hole CAS-21-123**
- **13 drill holes (5,295 metres) completed on the Casault Option with Wallbridge**
- **14 drill holes (4,483 metres) completed on the Gaudet-Fenelon JV with Probe**
- **2 new high-grade boulders discovered east of Mythril, grading 10.25 g/t Au, 8.0 g/t Ag, and 7.99 g/t Au, 166 g/t Ag, 0.4% Cu, 0.07% Mo**
- **Prospecting campaigns completed in Nunavik under our alliances with BHP and SOQUEM**
- **Stripping and channel sampling completed on the Golden Nest showing (10.1 g/t Au) on Lewis**
- **More than 7,000 assay results pending**
- **A total of 13,830 metres drilled (41 drill holes) during Fiscal 2021 (5,451 metres during Fiscal 2020)**

Midland intends to continue aggressively exploring its various projects for gold and base metals in 2022, to discover world-class deposits. An ambitious exploration program, one of the most substantial since the Company was founded, is currently in preparation and will be deployed on the Company's best projects. Midland will continue to generate several new projects and seek to quickly conclude additional partnership agreements for properties recently acquired in 2020 and 2021. In addition, we also continued to increase visibility for Midland throughout 2021 by taking part in numerous promotional events online (given the pandemic) and through a gradual return in person, to attract new and important shareholders.

Midland also intends to continue assessing interesting business opportunities as they arise in 2022. Midland has a very strong financial position, with more than \$10 million in adjusted working capital and no debt as at September 30, 2021.

On behalf of the management team and the Board of Directors, I would like to express our sincere acknowledgements for your trust, your patience, and your renewed support throughout 2021. I would also like to take this opportunity to welcome the new shareholders who joined us during the year. Midland is a company that relies on a high-calibre Board of Directors and a dynamic, motivated and talented technical team who will spare no effort in 2022 to make one or many significant discoveries in Quebec.

(s) Gino Roger
Gino Roger, P. Eng.
President and CEO

Midland Exploration Inc.
Management Discussion & Analysis
For the year ended September 30, 2021

The following discussion and analysis (the “MD&A”) of the financial condition and results of the operations of Midland Exploration Inc. (“Midland” or “the Corporation”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the year ended September 30, 2021, as well as the performance of its wholly owned subsidiary Midland Base Metals Inc. This MD&A should be read in conjunction with the Corporation’s audited consolidated financial statements as at September 30, 2021 (the “Financial Statements”) prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless otherwise noted.

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

Abbreviation	Period
Fiscal 19	October 1, 2018 to September 30, 2019
Q1-20	October 1, 2019 to December 31, 2019
Q2-20	January 1, 2020 to March 31, 2020
Q3-20	April 30, 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 30, 2021 to June 30, 2021
Q4-21	July 1, 2021 to September 30, 2021
Fiscal 21	October 1, 2020 to September 30, 2021
Fiscal 22	October 1, 2021 to September 30, 2022

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 Fiscal 21

- New Syenite-Associated gold system identified on Samson
- New gold-bearing zone identified on Maritime-Cadillac
- New acquisition along the extension of Sunday Lake fault zone - Nomans project
- New acquisition for Ni-Cu in Grenville
- New strategic Alliance with SOQUEM in Labrador Trough
- New high-grade gold showing (Golden Nest) discovered on Lewis
- Drilling programs completed on Samson and Mythril
- Drilling programs commencing on Casault (5,000 m) and Gaudet-Fenelon JV (4,500 m)
- New VTEM anomalies identified on the BHP Nickel Alliance in Nunavik
- Several new biogeochem anomalies identified in Abitibi
- New Au-bearing zone on Casault returned 6.85 g/t Au over 2.0 metres in hole CAS-21-123
- 13 drill holes (5,295 metres) completed on the Casault project under option by Wallbridge
- 14 drill holes (4,483 metres) completed on the Gaudet-Fenelon JV project with Probe
- Two (2) new high-grade boulders discovered east of Mythril; 10.25 g/t Au, 8.0 g/t Ag and 7.99 g/t Au, 166 g/t Ag, 0.4% Cu, 0.07% Mo
- Prospecting programs completed in Nunavik under our Alliances with BHP and SOQUEM
- Stripping and channel sampling completed on the Golden Nest showing on Lewis
- More than 7,000 assay results pending

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- A total of 13,830 metres (41 holes) were drilled during Fiscal 21 (5,451 metres during Fiscal 20).

More details can be found in section 4.

2.2 Working capital

Midland has a working capital of \$7,505,431 as of September 30, 2021 (\$10,973,875 as of September 30, 2020) which will allow the Corporation to execute its exploration program for at least the following year.

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 \$132,343 share issue expenses of which \$100,065 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.

On November 9, 2020, the Corporation completed a private placement of 96,209 shares at a price of \$1.00 per share for total gross proceeds of \$96,209. BHP 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 December 2, 2021	As at September 30, 2021
	Number	Number
Common shares	72,278,052	72,278,052
Options	5,245,000	5,245,000
Warrants	-	-
	77,523,052	77,523,052

2.5 Update on agreements with partners

On February 18, 2021, the Corporation signed a strategic alliance with SOQUEM Inc. ("SOQUEM") to jointly explore the Labrador Trough, for an amount of up to \$5,000,000 over 4 years. A joint annual budget of \$1,000,000 over a period of 4 years (firm commitment totalling \$2,000,000 for the first 2 years), for a total of up to \$4,000,000, will be provided under the SOQUEM alliance for the targeting and field reconnaissance phase. Midland will be project operator in charge of exploration work during the targeting and field reconnaissance phase. An additional, firmly committed, joint budget of \$1,000,000 for the 2nd year is provided under the agreement to explore the designated projects. The joint budgets for exploration work in years 3 and 4 on the designated projects shall be approved by the management committee. SOQUEM will become project operator on all designated projects.

As at September 30, 2021, the following properties are under agreements with partners:

- Casault Wallbridge Mining Company Ltd ("Wallbridge")
- Gaudet Probe Metals Inc. ("Probe")
- La Peltrie Probe
- Laflamme Abcourt Mines Inc. ("Abcourt")
- Maritime Cadillac Agnico Eagle Mines Ltd ("Agnico Eagle")
- Gatineau SOQUEM
- Eleonore JV Osisko Development Corp. ("Osisko")
- BHP Alliance Ni BHP Group (« BHP »)
- Labrador Through SOQUEM
- Soissons Nunavik Mineral Exploration Funds (« NMEF »)

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On December 1, 2021, the Corporation signed an option agreement with Rio Tinto Exploration Canada Inc. ("RTEC") for its Tete Nord property. Under this new agreement, RTEC may earn an initial 50% interest (First Option) in the Tete Nord property over a period of four years, by fulfilling the following conditions:

- Exploration expenditures totalling \$4,000,000, including a minimum of \$500,000 in the first year.
- Cash payments totalling \$500,000, including \$100,000 within 30 days of execution of the agreement

After earning an initial 50% interest, RTEC may elect to increase its interest to 70% (Second Option) over a period of four years by fulfilling the following conditions:

- Exploration expenditures totalling up to \$10,000,000 and cash payments totalling \$500,000, gaining interest on the following schedule:
- An additional 1% interest (for a total of 51%) by funding an additional \$250,000 of exploration expenditures;
- An additional 1% interest for each additional \$500,000 of exploration expenditures (for a total of up to 69%);
- An additional 1% (for a total of 70%) by funding an additional \$750,000 of exploration expenditures.

RTEC retains right to act as operator for the First and the Second Option; or at its discretion elects to have the Corporation act as operator on RTEC's behalf.

2.6 Covid update

In keeping with the health and safety guidelines, Midland, like most businesses, transitioned itself starting in March 2020 with its staff working remotely from home remaining operational. Following the announcement of the resumption of mining exploration works starting May 11, 2020, the Corporation implemented a protocol to return on the field which includes health prevention measures and communication plan with the communities.

2.7 Initiatives in sustainable development, certification, health and safety

Sustainable Development Policy

The Corporation has a Sustainable Development Policy to create long-term value in mineral exploration, mineral resource extraction and metal production. The Corporation works in collaboration with all stakeholders to ensure that the principles of governance, health and safety, environment, human rights, community, and transparency are respected and exemplary in all our activities.

UL 2723 Certification

In the last 2 years, the Corporation has been in the accreditation process to obtain the Ecologo® UL 2723 certification for mineral exploration. This certification helps to promote the application of best environmental, social, and economic practices in the mining exploration industry. All employees are continually working to review and improve exploration practices. Throughout 2021, training and documentation were provided to employees, officers and directors in order to integrate the new normative requirements. Work continues in order to be ready to pass the audit promptly.

Health and safety at work:

Following the implementation in 2020 of the Emergency Measure Plan, the Prevention Program and the environmental and safety Field Guide, the external firm Urgence Industrielle Dan Ouellet Inc continued its mandate in order to carry out the necessary training for employees. During Q2-21 and Q3-21, the Corporation employees each completed 18 hours of training. In addition, a 3-hour block was also given to directors and officers.

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3. RESULTS OF OPERATIONS

As operator, Midland incurred exploration expenditures totalling \$8,579,585 (\$3,746,951 in Fiscal 20), on its properties of which \$3,210,281 was recharged to its partners (\$290,687 in Fiscal 20). The operating partners incurred \$2,784,334 of exploration expenses (\$412,253 in Fiscal 20). Also, the Corporation invested \$793,440 (\$487,767 in Fiscal 20) to complete several property acquisitions in Quebec or maintained them, of which \$169,977 was recharged to its partners (\$7,554 in Fiscal 20).

The Corporation reported a loss of \$1,023,800 in Fiscal 21 compared to \$1,345,977 for Fiscal 20.

Project management fees increased to \$202,218 (\$23,754 in Fiscal 20). The BHP alliance started in August 2020 and generated most of the project management fees. Also, the Labrador Trough SOQUEM alliance started in February 2021.

Operating expenses decreased at \$1,926,852 for Fiscal 21 compared to \$2,138,540 in Fiscal 20, and following are the explanations for the main variances:

- Conference and investors relations \$131,190 (\$318,054 in Fiscal 20). Several conferences were cancelled following the Covid.
- Professional fees: \$408,506 (\$340,509 in Fiscal 20). Fees of \$81,276 (\$42,728 in Fiscal 20) were incurred relating to the mandate given to an external firm to develop rules and procedures related to health and safety. Fees of \$21,544 were incurred (nil in Fiscal 20) relating to the analysis of management and directors' compensation, its comparison to market and recommendations from Perrault Consulting, the Corporation's external advisor. Finally, fees were incurred to set up and follow up the BHP alliance.

Interest income decreased to \$98,837 (\$253,080 in Fiscal 20). The weighted average interest rate earned on the investments is half of that earned in Fiscal 20. In addition, considering the magnitude of the executed exploration programs, the investments balance decreased from \$9,716,000 on September 30, 2020 to \$5,940,390 on September 30, 2021.

The Corporation recorded change in fair value – listed shares favorable of \$7,765 (favorable of \$90,061 in Fiscal 20).

- An unfavorable change of \$10,752 was recorded on the Niobay Metals Inc. ("Niobay") shares composed of a realized gain of \$87,248 (nil in Fiscal 20) following the sale of 100,000 shares of Niobay and an unfavorable change in fair value of \$98,000 (favorable of \$84,000 in Fiscal 20).
- A favorable change in fair value of \$18,517 was recorded on the share of Probe (\$6,061 in Fiscal 20).

Those shares were received as part of option agreement on properties.

A \$603,174 (\$435,903 in Fiscal 20) 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 following the November 2020 private placement (December 2019 in Fiscal 20). All exploration work imposed by the November 2020 flow-through financing was completed before June 30, 2021. Also, all the exploration work imposed by the December 2019 flow-through financings was completed before September 30, 2020.

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4. EXPLORATION ACTIVITIES

Deferred exploration expenses Fiscal 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 Sept. 30, 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi													
Adam	277,523	36,081	-	-	119,674	155,755	1,900	-	(19,490)	-	-	138,165	415,688
Casault Au	2,270,451	3,740	-	12,126	-	15,866	2,964	(15,866)	-	(109,190)	-	(106,226)	2,164,225
Coigny	1,066	-	-	-	-	-	-	-	-	-	(1,066)	(1,066)	-
Fleuribleu	-	3,915	-	-	-	3,915	-	-	-	-	-	3,915	3,915
Gaudet	152,523	10,312	192,470	502,266	73,383	778,431	-	(1,610)	(297,600)	-	-	479,221	631,744
Guyberry	1,238	8,778	55,166	-	-	63,944	-	-	-	-	-	63,944	65,182
Heva Au	277,022	786	-	700	-	1,486	-	-	-	-	-	1,486	278,508
Jeremie	92,875	17,009	-	-	20,127	37,136	-	-	(8,871)	-	-	28,265	121,140
Jouvex Au	678,490	8,714	-	-	-	8,714	-	-	(2,184)	-	-	6,530	685,020
La Peltrie Au	1,105,925	1,322	-	998	-	2,320	-	(998)	(576)	-	-	746	1,106,671
Lac Esther	5,671	14,822	32,374	-	46,355	93,551	-	-	(25,113)	-	-	68,438	74,109
Lafamme Au	3,111,173	7,716	-	1,929	301	9,946	735	-	(3,134)	-	-	7,547	3,118,720
Lewis	74,460	175,351	110,020	-	14,908	300,279	1,501	-	(69,938)	-	-	231,842	306,302
Mar.Cadillac Au	481,033	1,883	-	11,454	4,252	17,589	1,296	-	-	-	-	18,885	499,918
Mistaouac	253,865	46,303	63,138	-	95,231	204,672	1,339	-	(45,228)	-	-	160,783	414,648
Nomans	-	15,610	-	-	849	16,459	-	-	(5,247)	-	-	11,212	11,212
Noyelles	3,165	675	-	-	-	675	-	-	-	-	-	675	3,840
Patris Au	241,217	16,598	95,408	4,693	4,024	120,723	885	-	-	-	-	121,608	362,825
Samson	805,247	164,968	215,929	692,691	247,023	1,320,611	11,200	-	(177,331)	-	-	1,154,480	1,959,727
Turgeon	202,050	-	-	-	-	-	-	-	-	-	-	-	202,050
Wawagasic	32,949	-	-	-	-	-	-	-	-	-	-	-	32,949
Grenville													
Gatineau JV	80,215	198,913	-	704	-	199,617	-	(1,547)	(3,371)	-	-	194,699	274,914
Tete Nord	-	79,296	1,275	-	1,863	82,434	-	-	(1,160)	-	-	81,274	81,274
Weedon Cu Zn Au	755,893	21,138	111,232	-	11,799	144,169	1,339	-	-	-	-	145,508	901,401
James Bay													
BJ Eleonore Au	1,779,453	22,311	-	-	-	22,311	400	-	(8,996)	-	-	13,715	1,793,168
BJ Gold	474,613	41,706	-	-	-	41,706	494	-	(20,115)	-	-	22,085	496,698
Elrond	80,653	85,471	-	-	18,229	103,700	885	-	(44,353)	-	-	60,232	140,885
Fangorn	15,950	-	-	-	-	-	-	-	-	-	-	-	15,950
Helms	65,026	-	-	-	-	-	-	-	-	-	-	-	65,026
JV Eleonore Au	617,865	-	-	-	-	-	-	-	-	-	-	-	617,865
Komo	52,950	8,813	-	-	6,517	15,330	-	-	(4,037)	-	-	11,293	64,243
McDuff	34,138	1,575	-	-	-	1,575	-	-	(500)	-	-	1,075	35,213
Minas Tirith	41,895	-	-	-	-	-	-	-	-	-	(41,895)	(41,895)	-

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Deferred exploration Expenses Fiscal 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 Sept. 30, 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Moria	133,830	1,087	-	-	-	1,087	-	-	(344)	-	-	743	134,573
Mythril	5,110,948	278,600	142,871	658,390	101,786	1,181,647	15,210	-	(464,000)	-	(1,706)	731,151	5,842,099
Shire	243,885	-	-	-	-	-	-	-	-	-	-	-	243,885
Wookie	22,202	4,500	-	-	1,616	6,116	-	-	(1,208)	-	-	4,908	27,110
North													
BHP Ni	-	430,720	2,497,849	-	24,320	2,952,889	-	(2,952,889)	-	-	-	-	-
Labrador Trough	-	404,050	138,881	-	4,383	547,314	-	(237,371)	(66,467)	-	-	243,476	243,476
Nachicapau	15,778	-	-	-	-	-	-	-	-	-	(15,778)	(15,778)	-
Pallas PGE	542,124	525	-	-	-	525	-	-	-	-	-	525	542,649
Soissons	106,746	-	-	-	-	-	-	-	-	-	-	-	106,746
Soissons Nmef	69,180	56,517	-	-	2,288	58,805	-	-	(25,987)	-	-	32,818	101,998
Willbob Au	3,196,684	33,529	-	34,708	51	68,288	-	-	(24,841)	-	-	43,447	3,240,131
Generation	37,318	-	-	-	-	-	-	-	-	-	-	-	37,318
TOTAL	23,545,289	2,203,334	3,656,613	1,920,659	798,979	8,579,585	40,148	(3,210,281)	(1,320,091)	(109,190)	(60,445)	3,919,726	27,465,015

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Deferred exploration expenses Fiscal 20	Balance Sept. 30, 2019	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance Sept. 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Abitibi													
Abitibi Gold	9,945	5,626	-	-	-	5,626	-	-	-	-	(15,571)	(9,945)	-
Adam	273,436	4,062	-	-	-	4,062	1,510	-	(1,485)	-	-	4,087	277,523
Casault Au	2,188,205	109,454	14,420	19,611	1,976	145,461	11,780	(2,801)	(13,706)	(58,488)	-	82,246	2,270,451
Coigny	-	1,778	-	-	-	1,778	-	-	(712)	-	-	1,066	1,066
Gaudet	-	70	243,777	-	21,571	265,418	-	(67,570)	(45,325)	-	-	152,523	152,523
Guyberry	-	1,238	-	-	-	1,238	-	-	-	-	-	1,238	1,238
Heva Au	276,312	710	-	-	-	710	-	-	-	-	-	710	277,022
Jeremie	84,740	8,135	-	-	-	8,135	-	-	-	-	-	8,135	92,875
Jouvex Au	623,657	5,568	48,712	251	-	54,531	1,887	(125)	(1,460)	-	-	54,833	678,490
La Peltrie Au	1,098,627	7,060	-	589	-	7,649	-	-	(351)	-	-	7,298	1,105,925
Lac Esther	-	7,260	-	-	-	7,260	-	-	(1,589)	-	-	5,671	5,671
Laflamme Au	2,808,975	34,352	70,065	185,851	14,409	304,677	3,718	-	(6,197)	-	-	302,198	3,111,173
Lewis	-	78,493	-	-	7,148	85,641	-	-	(11,181)	-	-	74,460	74,460
Mar.Cadillac Au	404,866	7,260	-	65,421	-	72,681	3,486	-	-	-	-	76,167	481,033
Mistaouac	229,698	20,087	4,080	-	-	24,167	-	-	-	-	-	24,167	253,865
Noyelles	-	5,302	-	-	-	5,302	-	-	(2,137)	-	-	3,165	3,165
Patris Au	236,236	3,222	-	716	1,285	5,223	-	-	(242)	-	-	4,981	241,217
Samson	172,346	38,080	132,042	818,695	33,678	1,022,495	1,510	-	(391,104)	-	-	632,901	805,247
Turgeon	199,191	649	2,210	-	-	2,859	-	-	-	-	-	2,859	202,050
Wawagotic	32,949	-	-	-	-	-	-	-	-	-	-	-	32,949
Grenville													
Gatineau Zn	16,070	8,816	12,185	-	-	21,001	-	-	(7)	-	-	20,994	37,064
Gatineau JV	-	41,948	-	1,203	-	43,151	-	-	-	-	-	43,151	43,151
Weedon Cu Zn Au	703,918	60,033	-	-	-	60,033	-	-	(8,058)	-	-	51,975	755,893
James Bay													
BJ Eleonore Au	1,774,421	5,054	-	-	910	5,964	1,079	-	(2,011)	-	-	5,032	1,779,453
BJ Gold	441,537	35,142	935	2,100	-	38,177	1,330	-	(6,431)	-	-	33,076	474,613
Elrond	69,052	15,468	-	-	-	15,468	-	-	(3,867)	-	-	11,601	80,653
Fangorn	11,685	4,265	-	-	-	4,265	-	-	-	-	-	4,265	15,950
Helms	56,797	13,462	-	-	580	14,042	-	-	(5,813)	-	-	8,229	65,026
JV Eleonore Au	616,676	-	-	-	-	-	1,189	-	-	-	-	1,189	617,865
Komo	-	68,077	-	-	-	68,077	-	-	(15,127)	-	-	52,950	52,950
McDuff	4,778	47,568	-	-	4,991	52,559	-	-	(23,199)	-	-	29,360	34,138
Minas Tirith	37,631	4,264	-	-	-	4,264	-	-	-	-	-	4,264	41,895
Moria	129,564	4,266	-	-	-	4,266	-	-	-	-	-	4,266	133,830
Mythril	4,382,617	254,507	309,548	31,781	316,168	912,004	32,912	-	(216,585)	-	-	728,331	5,110,948

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Deferred exploration expenses Fiscal 20	Balance beginning Fiscal 2020	Geology	Geo-physics	Drilling	Geo-chemistry	Sub total	Stock-based comp.	Recharge	Tax credits	Option Payment	Write-off	Net change	Balance end Fiscal 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Shire	239,620	4,265	-	-	-	4,265	-	-	-	-	-	4,265	243,885
Wookie	780	25,752	-	-	-	25,752	-	-	(4,330)	-	-	21,422	22,202
North													
BHP Ni	-	217,911	-	-	-	217,911	-	(217,911)	-	-	-	-	-
Nachicapau	14,258	1,520	-	-	-	1,520	-	-	-	-	-	1,520	15,778
Pallas PGE	542,124	-	-	-	-	-	-	-	-	-	-	-	542,124
Soissons	53,994	60,246	-	-	-	60,246	-	-	(7,494)	-	-	52,752	106,746
Soissons NmeF	47,710	35,150	-	-	-	35,150	-	(2,280)	(11,400)	-	-	21,470	69,180
Willbob Au	3,104,919	36,649	-	35,085	43,647	115,381	4,554	-	(28,170)	-	-	91,765	3,196,684
Generation	23,232	18,542	-	-	-	18,542	-	-	(4,456)	-	-	14,086	37,318
TOTAL	20,910,566	1,301,311	837,974	1,161,303	446,363	3,746,951	64,955	(290,687)	(812,437)	(58,488)	(15,571)	2,634,723	23,545,289

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Exploration and evaluation expenses	Actual Fiscal 20			Actual Fiscal 21			Budget Fiscal 21 – modified			Budget Fiscal 22		
	Properties	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
100 % Midland												
Abitibi Gold	13,761	-	13,761	-	-	-	-	-	-	30,000	-	30,000
Adam	4,062	-	4,062	155,755	-	155,755	150,000	-	150,000	73,000	-	73,000
Casault	142,660	2,801	145,461	-	-	-	-	-	-	-	-	-
Coigny	1,778	-	1,778	-	-	-	-	-	-	-	-	-
Fleuribleu	-	-	-	3,915	-	3,915	5,000	-	5,000	143,000	-	143,000
Gaudet	156,857	67,570	224,427	-	-	-	-	-	-	-	-	-
Guyberry	1,238	-	1,238	63,944	-	63,944	40,000	-	40,000	6,000	-	6,000
Heva Au	710	-	710	1,486	-	1,486	2,000	-	2,000	8,000	-	8,000
Jeremie	-	-	-	37,136	-	37,136	30,000	-	30,000	8,000	-	8,000
Jouvex	54,406	125	54,531	8,714	-	8,714	5,000	-	5,000	-	-	-
La Peltrie	7,649	-	7,649	1,322	-	1,322	2,000	-	2,000	-	-	-
Lac Esther	7,260	-	7,260	93,551	-	93,551	80,000	-	80,000	48,000	-	48,000
Lewis	85,641	-	85,641	300,279	-	300,279	285,000	-	285,000	453,000	-	453,000
Mistaouac	24,167	-	24,167	204,672	-	204,672	200,000	-	200,000	19,000	-	19,000
Nomans	-	-	-	16,459	-	16,459	10,000	-	10,000	290,000	-	290,000
Noyelles	5,302	-	5,302	675	-	675	2,000	-	2,000	173,000	-	173,000
Patris	5,223	-	5,223	120,723	-	120,723	120,000	-	120,000	-	-	-
Samson	1,022,495	-	1,022,495	1,320,611	-	1,320,611	1,320,000	-	1,320,000	154,000	-	154,000
Turgeon	2,859	-	2,859	-	-	-	-	-	-	-	-	-
Valmond	-	-	-	-	-	-	-	-	-	17,000	-	17,000
Gatineau Zn	21,001	-	21,001	-	-	-	-	-	-	-	-	-
Ski	-	-	-	-	-	-	-	-	-	5,000	-	5,000
Tête Nord	-	-	-	82,434	-	82,434	85,000	-	85,000	-	-	-
Weedon Cu-Zn-Au	60,033	-	60,033	144,169	-	144,169	140,000	-	140,000	10,000	-	10,000
BJ Éléonore Au	5,964	-	5,964	22,311	-	22,311	95,000	-	95,000	107,000	-	107,000
BJ Gold	38,177	-	38,177	41,706	-	41,706	60,000	-	60,000	80,000	-	80,000
Elrond	15,468	-	15,468	103,700	-	103,700	110,000	-	110,000	132,000	-	132,000
Fangorn	4,265	-	4,265	-	-	-	-	-	-	-	-	-
Helms	14,042	-	14,042	-	-	-	-	-	-	5,000	-	5,000
Komo	68,077	-	68,077	15,330	-	15,330	20,000	-	20,000	83,000	-	83,000
McDuff	-	-	-	1,575	-	1,575	1,000	-	1,000	5,000	-	5,000
Minas Tirith	4,264	-	4,264	-	-	-	-	-	-	4,000	-	4,000
Moria	4,266	-	4,266	1,087	-	1,087	-	-	-	5,000	-	5,000
Mythril	964,563	-	964,563	1,181,647	-	1,181,647	1,250,000	-	1,250,000	280,000	-	280,000
Shire	4,265	-	4,265	-	-	-	-	-	-	55,000	-	55,000
Wookiee	25,752	-	25,752	6,116	-	6,116	-	-	-	-	-	-
Nachicapau	1,520	-	1,520	-	-	-	-	-	-	-	-	-
Pallas EGP	-	-	-	525	-	525	1,000	-	1,000	10,000	-	10,000
Soissons	60,246	-	60,246	-	-	-	-	-	-	-	-	-
Willbob	115,381	-	115,381	68,288	-	68,288	50,000	-	50,000	42,000	-	42,000
Project generation	18,542	-	18,542	-	-	-	-	-	-	4,000	-	4,000
	2,961,894	70,496	3,032,390	3,998,130	-	3,998,130	4,063,000	-	4,063,000	2,249,000	-	2,249,000

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Exploration and evaluation expenses	Actual Fiscal 20			Actual Fiscal 21			Budget Fiscal 21 - modified			Budget Fiscal 22		
	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total	Midland	Partners	Total
Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Option												
Casault - Wallbridge	-	15,017	15,017	-	1,230,338	1,230,338	-	1,250,000	1,250,000	-	500,000	500,000
La Peltrie – Probe	-	206,855	206,855	-	447,245	447,245	-	500,000	500,000	-	700,000	700,000
Tête Nord – Rio Tinto	-	-	-	-	-	-	-	-	-	-	500,000	500,000
	-	221,872	221,872	-	1,677,583	1,677,583	-	1,750,000	1,750,000	-	1,700,000	1,700,000
Joint venture												
Gaudet-Fenelon – Probe 50%	40,991	40,992	81,983	776,821	779,019	1,555,840	800,000	800,000	1,600,000	250,000	250,000	500,000
Laflamme Au– Abcourt 22,1%	304,677	-	304,677	9,946	-	9,946	5,000	-	5,000	63,000	-	63,000
Maritime-Cadillac AEM 51%	72,681	75,648	148,329	17,589	18,306	35,895	17,000	18,000	35,000	9,000	10,000	19,000
Gatineau JV 50%	43,151	43,151	86,302	198,070	198,070	396,140	250,000	250,000	500,000	50,000	50,000	100,000
JV Eleonore Osisko 50%	-	-	-	-	-	-	-	-	-	-	-	-
BHP Ni - Alliance	-	217,911	217,911	-	2,952,889	2,952,889	-	1,950,000	1,950,000	-	1,600,000	1,600,000
Lab.Trought – SOQUEM 0%	-	-	-	309,943	309,943	619,886	500,000	500,000	1,000,000	500,000	500,000	1,000,000
Soissons NMEF 50%	32,870	32,870	65,740	58,805	58,805	117,610	60,000	60,000	120,000	30,000	30,000	60,000
	494,370	410,572	904,942	1,371,174	4,317,032	5,688,206	1,632,000	3,578,000	5,210,000	902,000	2,440,000	3,342,000
Grand total	3,456,264	702,940	4,159,204	5,369,304	5,994,615	11,363,919	5,695,000	5,328,000	11,023,000	3,151,000	4,140,000	7,291,000

Concerning the table in the previous page:

- 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.

ABITIBI

4.1 Abitibi Gold (Au)

Property Description

On July 16, 2018, the Corporation signed a definitive agreement whereby it sold 17 claims for \$8,000 cash and a 1% NSR royalty. The Corporation wrote off the project included in Abitibi Gold for \$14,455 during Q1-20.

4.2 Adam (Cu-Au)

Property Description

The Adam property is wholly owned by Midland and is located about 65 kilometres west of the town of Matagami. As at September 30, 2021, it consists of 188 claims covering a surface area of about 10,457 hectares in the Abitibi region of Quebec. Some claims were dropped therefore the Corporation impaired partially for \$3,804 in Fiscal 2020.

The Adam property has strong gold and copper potential located about 15 kilometres east of the B26 zone held by SOQUEM and about 20 kilometres east of the former Selbaie mine, which historically produced 56.5 Mt grading 1.9% Zn, 0.9% Cu, 38.0 g/t Ag and 0.6 g/t Au.

Exploration work on the property

In the spring of 2021, a black spruce bark biogeochemistry survey covering the entire Adam property was completed. The results highlighted several areas with anomalous Au, As, Cu and Zn values, some of which are located along the same stratigraphic level as the B26 deposit, i.e., just north of the regional fault marking the contact between the Enjalran and Brouillan groups. In addition, several of these anomalies coincide with new untested helicopter-borne VTEM-type electromagnetic anomalies.

4.3 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, 2021, this property consists in 322 claims covering an area of approximately 17,726 hectares.

On October 10, 2014, the Corporation signed a letter of intent with SOQUEM to grant SOQUEM the option to acquire a 50% undivided interest in its Casault and Jouvex properties. By October 10, 2016, SOQUEM completed the \$4,500,000 work commitment, acquired a 50% undivided interest in the Casault Jouvex property and is now in joint venture with Midland.

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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% net smelter return (“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.

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	110,000	750,000	750,000
On or before June 30, 2022	110,000	-	1,000,000	479,489
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	210,000	5,000,000	1,229,489

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

A drilling program consisting of thirteen (13) drill holes totalling 5,295 metres was recently completed to test a series of NW-SE-trending structures interpreted from the magnetic survey. These targets are located a few kilometres north of the Sunday Lake Fault and west of the Martiniere and Bug Lake deposits.

Hole CAS-21-123, the first drill hole of the program, was testing a prominent NW-SE oriented structure interpreted from airborne magnetics and intersected 6.85 g/t Au over 2.00 metres from 254.50 to 256.50 metres. This new intersection is associated with a mineralized zone consisting of chalcopyrite, pyrite, pyrrhotite, and electrum, a gold-silver mineral phase, within deformed and heavily carbonate-altered host rocks. This NW-SE structural orientation remains untested over more than 3 kilometres on the Casault property and is known to control gold mineralization at Fenelon and Martiniere. A series of large structures of this trend also transects the Casault property. Complete assay results are pending.

4.4 Coigny (Au)

Property Description

The new Coigny property (100% Midland) consists of 40 claims (2,225 hectares) is located about 20 km to the southeast of the Geant Dormant mine. On September 2021, the Corporation decided to drop the claims and wrote-off the property for \$4,183.

Exploration work on the property

No exploration work on the ground was conducted on Coigny during Fiscal 21.

4.5 Fleuribleu (Au)

Property Description

The new Fleuribleu property consists in one claim block totalling 196 claims (10,880 hectares) as at September 30, 2021. It covers, over a strike length of more than 15 kilometres, the interpreted eastward extension of the Sunday Lake Fault, approximately 40 kilometres east of the new Wallbridge discovery. The Fleuribleu property covers a major contact zone between the Manthet and Brouillan-Fenelon groups, marked by a series of electromagnetic Input anomalies.

Exploration work on the property

A compilation of historical works was completed at the property scale in preparation for a high-resolution magnetic survey to be conducted in 2022. Midland is currently looking for a new partner for this project.

4.6 Gaudet (Au), in partnership avec Probe, operated by Probe

Property Description

The new Gaudet-Fenelon property consists of one claim block totalling 226 claims (12,530 hectares) as at September 30, 2021. The claim block is located less than 5 kilometres south of the Area 51-Fenelon discovery. This claim block is located south of the Sunday Lake Fault and mainly covers a volcano-sedimentary sequence of the Rivière Turgeon Formation, as well as a 10-kilometre-long segment of the Lower Detour Fault.

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 this partnership were received. During Q3-21, the results of the IP survey and the bark sampling were received.

Over the course of August and September 2021, fourteen (14) drill holes totalling 4,483 metres were completed to test induced polarization anomalies coinciding with biogeochemical anomalies and structures interpreted from the magnetic survey. Assay results are pending.

4.7 Guyberry (Au)

Property Description

The new Guyberry property consists of one claim block totaling 49 claims (1,931 hectares) as at September 30, 2021. See section 4.4 on the property acquisition agreement.

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Exploration work on the property

A magnetic survey (Drone Mag) was completed over the property during Q4-21. The high-resolution of this survey led to the identification of new structures.

4.8 Heva (Au)

Property Description

The Heva West block consists of 4 contiguous claims adjacent to the west of the Maritime-Cadillac property, currently a 49% Midland / 51% Agnico Eagle. The Heva East block is located about 4 kilometres to the southeast and consists of 30 contiguous claims largely covering sedimentary rocks of the Cadillac Group just north of the Piché Group. Some claims are subject to a 2% NSR royalty to the original holders, half of the royalty can be bought back for a payment of \$1,000,000.

Exploration work on the property

No exploration work on the ground was conducted on Heva during Fiscal 21. Midland is currently looking for a new partner for this project.

4.9 Jeremie (Au)

Property Description

The Jeremie block now totals 42 claims (2,173 hectares), including 40 new cells, and covers a surface area of approximately 30 square kilometres. It is located approximately 10 kilometres northwest of Wallbridge's new Area 51-Fenelon gold discovery. The Jeremie property covers the northwest contact of the Jeremie Pluton. In October 2019, Wallbridge reported drill results from its Fenelon property (Tabasco zone), with grades reaching 27.0 g/t Au over 38.39 metres, 20.89 g/t Au over 8.54 metres, and 17.58 g/t Au over 11.04 metres (see press release by Wallbridge dated October 21, 2019).

Exploration work on the property

During Q3-21, Midland completed a biogeochemical survey covering a portion of the Jeremie property. The final results of the bark sampling were received but no obvious anomaly has been identified.

4.10 Jouvex (Au)

Property Description

The Jouvex property is located about 50 kilometres to the southwest of Matagami and as at September 30, 2021 is composed of 374 claims covering an area of approximately 20,871 hectares. See the Casault section for the details on the agreement signed with SOQUEM.

On April 7, 2021, the Corporation completed the acquisition from SOQUEM of two blocs of claims contiguous to the Jouvex property by paying \$60,000 and by issuing a 1% NSR royalty; the Corporation 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% royalty.

Exploration work on the property

No exploration work on the ground was conducted on Jouvex during Fiscal 21. Midland is currently looking for a new partner for this project.

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

Property Description

As at September 2021, 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. Some claims are subject to a 1% Gross Metal royalty.

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	55,000 ²⁾	500,000	500,000
On or before July 31, 2022	70,000	-	700,000	153,102
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	105,000	3,500,000	653,102

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

2) In July 2021, the Corporation received 32,544 shares of Probe based on a 5 days VWAP calculation to total \$55,000.

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. The final results of the bark sampling were received. At least four (4) Au and Cu anomalies were identified in the vicinity of the syntectonic pluton and were selected for IP surveys to be completed.

Three (3) induced polarization grids were surveyed this summer to cover biogeochemical anomalies identified along the perimeter of a syntectonic intrusion. The final results and interpretation of the three surveys are pending. A follow-up campaign, including a drilling program, is in preparation for 2022.

4.12 Lac Esther (Au)

Property Description

The Lac Esther property is located less than 30 kilometres to the north of the municipality of Lebel-sur-Quevillon, in Quebec and as at September 30, 2021 comprises 261 claims (14,634 hectares) . This important land position covers a strategic area straddling the southern contact of the syntectonic Waswanipi-South Pluton and the junction between two major regional faults, namely the Casa Berardi and Lamarck regional fault zones. These fault zones host several historical gold showings and deposits located near the Lac Esther property.

On May 11, 2020, the Corporation signed an agreement with Exiro Minerals Corp. whereby it acquired a bloc of claims contiguous to the Lac Esther property for a \$10,000 cash payment, \$35,000 work commitment to be completed before June 2021 and a 2% NSR royalty of which 1% can be bought back for a cash payment of \$1,000,000.

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On May 14, 2020, the Corporation signed an agreement with Goldseek Resources Inc. (“Goldseek”) whereby it swapped a bloc of claims of the Adam property with a bloc of claims contiguous to the lac Esther property. The Corporation received a 2% NSR royalty on Adam bloc of claims and this royalty can be bought back by Goldseek for a cash payment of \$1,000,000 to the Corporation. On the other hand, the Corporation assumes a 2% NSR royalty on the Lac Esther bloc of claims relating to a prior agreement and half of this royalty can be bought back by the Corporation for a cash payment of \$1,000,000. A \$14,328 value was estimated for the blocs of claims exchanged, based on the historical cost incurred on the Adam property.

Exploration work on the property

During Q3-21, Midland completed a Mag Drone survey covering a small block of claims in the western portion of the Lac Esther property.

A soil survey (B-horizon) was completed during Q3-21 east of the former Lac Rose mine. A few new local gold anomalies were identified.

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

Property Description

The Laflamme property is located about 25 kilometres west of Lebel-sur-Quévillon in the Abitibi region. As at September 30, 2021, the Laflamme property consists of a total of 436 claims covering an area of approximately 23,411 hectares and Midland holds 77.9% of the property.

On August 17, 2009, the Corporation signed an agreement with Aurbec Mines Inc. (“Aurbec”), (previously a subsidiary of North American Palladium Ltd.) and on June 17, 2016, Abcourt Mines Inc. (“Abcourt”) acquired the interest in the property following the bankruptcy of Aurbec. Abcourt does not contribute to the exploration programs and is therefore being diluted.

Some claims were dropped in Fiscal 2021, therefore the Corporation impaired partially for \$12,865 the exploration property cost.

Exploration work on the property

No exploration work on the ground was conducted on Laflamme during Fiscal 21.

4.14 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%). Some claims were dropped in Fiscal 2021, therefore the Corporation impaired partially for \$1,505 the exploration property cost.

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.

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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:

- 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

An IP survey totalling about 30 km was completed. Several anomalies were detected, mainly east of the new showing found in 2020.

The 2021 prospecting program was completed during Q3-21. A total of 76 samples were collected and led to the discovery of a new gold showing named Golden Nest. Grab samples from the new Golden Nest showing yielded gold grades of 10.2 g/t Au and 2.1 g/t Au. These values are located approximately 1.1 kilometres east of the Red Giant showing discovered by prospecting in 2020, where channel samples yielded values up to 0.35 g/t Au over 9.0 metres.

This new high-grade gold showing was discovered during prospecting work conducted in May 2021. The prospecting campaign was designed to cover high-priority induced polarization (IP) anomalies that were identified during the winter 2021 survey along the extensions of the Red Giant gold-bearing structure.

The Golden Nest showing is directly associated with a moderate chargeability anomaly (5-10 mv/V) coinciding with a sharp increase in resistivity. The gold-bearing zone corresponds to a small outcrop of approximately 10 square metres exhibiting 5 to 10% pyrite mineralization. The IP anomaly associated with this gold-bearing zone may be traced over a distance of at least 400 metres to the west. The gold-bearing zone is entirely new and has never been drill-tested.

Following the discovery made this past summer by prospecting at the Golden Nest showing, where grab samples yielded grades of 10.2 g/t Au and 2.1 g/t Au, mechanical stripping and channel sampling were completed in September. Approximately 50 samples are currently in the laboratory and assay results are pending.

4.15 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.

4.16 Mistaouac (Au)

Property Description

The Mistaouac property is located about 75 kilometres to the south-west of Matagami in Abitibi, Quebec and consists of 232 claims (11,579 hectares) as at September 30, 2021. This bloc is located less than 5 kilometres to the northeast of the Estrades Zn-Cu-Au deposit to the east of Casa Berardi.

Some claims were dropped therefore the Corporation impaired partially for \$5,673 in Fiscal 2021.

Exploration work on the property

A black spruce bark biogeochemistry survey was completed to cover the entire property. Several anomalies were identified, one of which is of particular interest along the contact of the Orvilliers pluton. This kilometre-scale anomaly is characterized by elevated values in Au, Ag, Cu, Mo, Sb and Te.

4.17 Nomans (Au)

Property Description

The Nomans property was acquired by map designation and consists of 776 claims (42,062 hectares) 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 Corporation.

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.

Exploration work on the property

During Q3-21, Midland completed a compilation of historical works conducted on this new property. A 3 -day prospecting campaign was completed during Q3-21. No significant anomaly was obtained.

A till survey (1 kg) is currently ongoing in the western portion of the property. These results will be received in early 2022 and will be used to prioritize the areas to be covered with additional till sampling and prospecting during the summer of 2022.

4.18 Noyelles (Au)

Property Description

The Noyelles property is located approximately 20 kilometres south of the town of Matagami, in Abitibi, Quebec and consists of 172 claims (9,616 hectares) as at September 30, 2021. This property provides control over more than 30 kilometres of structures with strong gold potential, within and proximal to the northern contact of the sedimentary Taibi Group along the Casa Berardi deformation zone.

Exploration work on the property

This new acquisition is located approximately 8 kilometres northeast of the Vezza gold deposit, held by Nottaway Resources Inc. and hosted in the southern part of the Taibi sediments, along the Douay-Cameron deformation zone. The latter also hosts the Douay deposit held by Maple Gold Mines Ltd. The Douay deposit is located approximately 25 kilometres west of Vezza and contains indicated resources estimated at 8.6 million tonnes grading 1.52 g/t Au (422,000 ounces of gold) and inferred resources of 71.2 million tonnes grading 1.03 g/t Au for 2.35 million ounces of gold (Source: NI 43-101 report by RPA dated December 6, 2019).

The Noyelles property covers, over a distance of more than 15 kilometres, the northern contact of the Taibi Group sediments along the Casa Berardi North deformation zone. A felsic intrusion, approximately 4 kilometres long, lies near this contact. The intrusion causes a structural complexity and potential gold traps associated with low-pressure zones along the lateral extensions of the intrusion. A few historical gold occurrences are reported near this contact, namely the historical Ludger gold showing, located approximately 3 kilometres east of Noyelles, where grades reaching 7.6 g/t Au over 2.3 metres in channel sample and up to 2.2 g/t Au over 3.9 metres in drill hole are reported (Source: MERN-SIGEOM NTS sheet 32F11; GM 57119).

A compilation of historical works has been completed and a high-resolution magnetic survey is currently in preparation to begin in early 2022.

4.19 Patris (Au)

Property Description

The Patris property is located about 30 kilometres to the north-east of Rouyn-Noranda and as at September 30, 2021 consists of 277 claims (11,289 hectares). Some claims are subject to the following NSR royalties:

- 1.5%, the Corporation can buy it back for \$500,000 per 0.5% tranche for a total of \$1,500,000;
- 1%, the Corporation can buy it back for \$500,000 per 0.5% tranche for a total of \$1,000,000;
- 2%, the Corporation can buy it back for \$1,000,000 per 1% tranche for a total of \$2,000,000;
- 2%, the Corporation can buy it back for \$500,000 the first 1% tranche and for \$1,000,000 for the second 1% tranche, for a total of \$1,500,000.

Exploration work on the property

During the spring of 2021, a Drone magnetic survey was completed in the southern half of the property. These results allowed to better define the structural pattern and to identify new folded structures never interpreted before.

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New exploration targets were identified following a new lithochemical interpretation of the entire property. These new targets include the depth extension of drill holes PAT-15-05 and PAT-16-08, which identified an extensive hydrothermal alteration zone (Au-Ag-Pb-Mo-Te) more than 80 metres wide. In addition, two new target areas associated with Camflo-type alkaline intrusions were identified near the La Pause Fault, where turbidites of the Kewagama Group are in contact with volcanic rocks of the Malartic Group.

4.20 Samson (Au)

Property Description

As at September 30, 2021, 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.

A biogeochemical and an IP survey were completed. The results of the IP survey were received as well as the results of the bark sampling. A new biogeochem anomaly (Au) was identified about 2 km to the south-east of Golden Delilah. This area has never been drilled. Moreover, a new IP anomaly was identified about 2 km north-east of Golden Delilah. This new area located along the Lower Detour fault has never been drilled either.

A seven (7) holes drilling program totalling 2,405 metres was completed during Q3-21. The best results came from a porphyry intrusion in hole SAM-21-18 to the north-east of Golden Delilah that returned 3.2 g/t Au over 0.50 metre from 65.05 to 65.55 metres. A new Au-bearing structure /breccia was identified near surface in hole SAM-21-22 and near the fold hinge. That zone returned 0.3 g/t Au over 5.05 metres from 101.95 to 107.00 metres. The other best results include 0.47 g/t Au over 0.45 metres in hole SAM-21-23 from 140.5 to 140.95 metres and 0.26 g/t Au over 3.0 metres from 245.0 to 248.0 metres in hole SAM-21-24.

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A black spruce bark biogeochemistry survey was conducted in the winter of 2021 in the vicinity of the new high-grade gold discovery at Golden Delilah, which graded up to 99.1 g/t Au over 0.40 metre (DDH SAM-20-10; 106.45-106.85 m) and 23.0 g/t Au over 1.05 metres (DDH SAM-20-15; 317.10-318.15 m). This biogeochemistry survey identified a new gold anomaly located approximately 2 kilometres southeast of the Golden Delilah showing. This new area has never been drill-tested and is located near the western contact of a felsic pluton, where identified gold anomalies are aligned along structures mainly trending NW-SE and N-S.

4.21 Turgeon (Au)

Property Description

The Turgeon property is wholly owned by Midland and is located 150 kilometres to the south-west of Matagami. As at September 30, 2021, it consists of 85 claims (4,730 hectares) in the Abitibi region of Quebec.

Some claims were dropped therefore the Corporation impaired partially for \$35,256 in Fiscal 2021.

Exploration work on the property

No exploration work on the ground was conducted on Turgeon during Fiscal 21. Midland is currently looking for a new partner for this project.

4.22 Valmond (Au)

Property Description

The Corporation acquired claims by map staking about 50 kilometres to the west of the town of Matagami, Abitibi. As at September 30, 2021, this property consists in 48 claims covering an area of approximately 2,672 hectares.

Exploration work on the property

No exploration work on the ground was conducted on Valmond during Fiscal 21. Midland is currently looking for a new partner for this project.

4.23 Veza (Au)

Property Description

The Veza property is wholly owned by Midland and is located 3 kilometres west of the Veza mine. As at September 30, 2021, it consists of 6 claims (2 blocks of 3 claims) covering a surface area of about 335 hectares in the Abitibi region of Quebec.

Exploration work on the property

No exploration work conducted on Veza during Fiscal 21. Midland is currently looking for a new partner for this project.

4.24 Wawagotic (Au)

Property Description

The Wawagotic property is wholly owned by Midland and is located 30 kilometres east of Detour Lake. As at September 30, 2021, it consists of 57 claims covering a surface area of about 3,162 hectares in the Abitibi region of Quebec.

Exploration work on the property

No exploration work conducted on Wawagotic during Fiscal 21. Midland is currently looking for a new partner for this project.

GRENVILLE-APPALACHES

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

Property Description

The Gatineau property is a land position for zinc, including as at September 30, 2021, 259 claims (15,282 hectares) distributed in the Gatineau Area, approximately 200 kilometres northwest of the city of Montreal.

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 was completed. Soil sampling and prospecting over the properties started during Q3-21 and the results are still pending.

4.26 Ski

Property Description

The Ski property staked, consists of 5 claims as of September 30, 2021 and is located in the 31J02 NTS sheet in the Vallee de la Gatineau.

4.27 Tête Nord (Ni-Cu)

Property Description

The Corporation assembled the Tête Nord property through map staking and acquisition. This property is located about 15 km east of the town of La Tuque and comprises a total of 935 claims forming five (5) separate blocks and covering approximately 52,261 hectares. 56 of these 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 2% NSR royalty, the Corporation can buy it back the royalty for \$1,500,000 per 1.0% tranche for a total of \$3,000,000.

In March 2021, the Corporation signed four agreements with different prospectors whereby it acquired blocs of claim for cash payments totalling \$41,050. The Corporation issued three 2% NSR royalties to the prospectors. The Corporation may, at any time, buy back each royalty, in all or in part, by making a cash payment of \$2,000,000 per royalty, \$1,000,000 per tranche of 1% royalty. For the fourth agreement, the Corporation agreed to make a \$25,000 payment if a resources estimate is completed on the bloc acquired or on the 40 contiguous claims owned by the Corporation.

See section 2.5 for option agreement signed with RTEC.

Exploration work on the property

Midland is compiling the historical works on the property. A one-week prospecting program took place in July 2021 in the vicinity of the Savane and Rochette showings. Several new Ni-Cu anomalies were identified in the vicinity of the Savane showing.

4.28 Weedon (Cu-Zn-Au)

Property Description

This property is located in the Eastern Townships, about 120 km south of Quebec City and as at September 30, 2021 is comprised of 149 claims covering an approximate area of 7,280 hectares. Some claims are subject to NSR royalties of:

- 1%, the Corporation can buy it back the royalty for \$500,000 per 0.5% tranche for a total of \$1,000,000;
- 0.5%, the Corporation can buy it back this royalty for \$500,000;
- 1.5% on all metals except gold and silver, the Corporation can buy it back for \$500,000 per 0.5% tranche for a total of \$1,500,000.

Some claims were dropped therefore the Corporation impaired partially for \$31,588 in Fiscal 2021 the exploration property cost.

Exploration work on the property

A till sampling survey was completed to the east of the Lingwick deposit during Q1-20. The area explored returned interesting values in gold, copper and zinc. The lack of high-quality information (geology, geochemistry, geophysics) do not help to define a precise target. However, the strong presence of quartz fragments and the gold value of 136 ppb Au in concentrate, could lead towards an IP anomaly in the vicinity of the Lingwick deposit. It is recommended to make a follow-up of these anomalies with a drilling program using a tight spacing.

During the summer of 2021, a Drone magnetic survey covered the most part of the property (Weedon and Lingwick sectors). These works led to the identification of a possible volcanic rock enclave within the intrusion that cuts the Weedon deposit. This newly identified area is also characterized by the presence of VTEM conductors from the 2008 survey that will have to be covered with additional geophysical and geochemical works.

JAMES BAY

4.29 BJ Gold (Au)

Property Description

Midland owns a 100% interest on 194 claims as at September 30, 2021 covering 9,961 hectares in the James Bay Area. Some claims were dropped therefore the Corporation impaired partially for \$6,960 (\$262,798 in Fiscal 20) the exploration property cost.

Exploration work on the property

Prospecting work carried out in August on the Galinée gold project identified several new gold-bearing boulders that yielded values in grab samples up to 1.43 g/t Au, 1.40 g/t Au and 1.08 g/t Au south of the Elsa showing. Other boulders were also discovered approximately 2 kilometres further west, grading up to 0.96 g/t Au and 0.50 g/t Au (grab samples). Several induced polarization anomalies remain unexplained to the north of these gold-bearing boulders.

4.30 BJ Eleonore (Au)

Property Description

The Eleonore new property is divided in three distinct blocks with two of them within 25 kilometres from the Eleonore gold discovery of Newmont and one southeast 30 km further along strike. It encompasses a group of 264 claims covering an area of approximately 13,846 hectares as at September 30, 2021.

Exploration work on the property

A soil survey was completed on the property during Q4-21 and the results are pending.

4.31 Elrond (Au)

Property Description

The Elrond property consists as at September 30, 2021 of 197 contiguous claims covering a total surface area of 10,175 hectares.

Exploration work on the property

The final results of the 80 till samples collected over the summer, southwest of Harfang Exploration Inc.'s Serpent gold project, have been recently received but the final interpretation is ongoing.

4.32 Fangorn (Au)

Property Description

The Fangorn property consists as at September 30, 2021 of 16 contiguous claims covering a total surface area of 816 hectares.

Exploration work on the property

No exploration work conducted on Fangorn during Fiscal 21. Midland is currently looking for a new partner for this project.

4.33 Helm's Deep (Au)

Property Description

The Helm's Deep property consists as at September 30, 2021 of 70 contiguous claims covering a total surface area of 3,699 hectares.

Exploration work on the property

No exploration work conducted on Helm's Deep during Fiscal 21. Midland is currently looking for a new partner for this project.

4.34 JV Eleonore (Au), in partnership with Osisko, operated by Osisko

Property Description

On June 13, 2016, a joint-venture agreement (50%-50%) was signed with Osisko Mining Inc. ("Osisko") whereby Osisko and the Corporation cooperate and combine their efforts to explore the JV Eleonore. The property is located 12 kilometres southeast and northwest of Newmont's Eleonore deposit. Osisko is the operator. Each partner obtained a 0.5% NSR royalty as a mutual consideration for the constitution of the joint venture.

The property is located 12 kilometres southeast and northwest of Newmont's Eleonore deposit. The property regroups several properties for a total of 578 claims covering a surface area of about 30,281 hectares.

Exploration work on the property

No exploration work conducted on JV Eleonore during Fiscal 21.

4.35 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.

Some claims were dropped therefore the Corporation impaired partially for \$9,369 in Fiscal 21 the exploration property cost.

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.

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.

4.36 McDuff (Cu-Au-Mo-Ag)

Property Description

The McDuff property consists as at September 30, 2021 of 159 (8,394 hectares).

Exploration work on the property

No exploration work conducted on McDuff during Fiscal 21. Midland is currently looking for a new partner for this project.

4.37 Minas Tirith

Property Description

The Minas Tirith property consists as at September 30, 2021 of 4 claims (213 hectares).

Exploration work on the property

No exploration work conducted on Minas Tirith during Fiscal 21. Midland is currently looking for a new partner for this project.

4.38 Moria (Ni-Cu)

Property Description

The Moria property consists as at September 30, 2021 of 110 claims (5,812 hectares).

Exploration work on the property

No exploration work conducted on Moria during Fiscal 21. Midland is currently looking for a new partner for this project.

4.39 Mythril (Au-Cu-Mo)

Property Description

The Mythril property consists as at September 30, 2021 of 2,199 claims (112,035 hectares). The Corporation wrote off a project included in the Mythril property for \$6,096 (partial impairment for \$150,690 in Fiscal 20).

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, was completed during the winter of 2021, in preparation for a 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.

During Q3-21, a drilling program consisting in seven (7) holes totalling 1,647 metres was completed. The program targeted mainly untested IP targets near the contact with the conglomerates in favorable areas highlighted by the 3D-Model.

Drill hole MYT-21-38, collared on line 5+00E, tested a lateral gap of approximately 300 metres between drill holes MYT-19-01 and MYT-19-03. Drill hole MYT-21-38 intersected a mineralized zone from 56.50 to 85.00 metres grading 0.59% Cu, 0.05 g/t Au, 1.87 g/t Ag and 0.025% Mo (0.74% CuEq*) over 28.50 metres including 1.02% Cu, 0.09 g/t Au, 2.62 g/t Ag and 0.048% Mo (1.29% CuEq*) over 10.50 metres from 56.50 to 67.00 metres. This interval includes two high-grade zones that returned values of 8.73% Cu, 1.29 g/t Au, 22.4 g/t Ag and 0.87% Mo (13.2% CuEq*) over 0.50 metre from 57.80 to 58.30 metres, as well as 3.50% Cu, 0.11 g/t Au, 6.17 g/t Ag and 0.04% Mo (3.77% CuEq*) over 1.20 metres from 59.80 to 61.00 metres. This zone is also included within a larger interval grading 0.25% CuEq* over 104.6 metres from 18.0 to 122.6 metres.

Drill hole MYT-21-39, collared on line 6+00E, intersected a Cu-Au zone grading 1.34% Cu, 3.14 g/t Au, 10.14 g/t Ag and 0.005% Mo (3.55% CuEq*) over 3.10 metres between 227.60 and 230.70 metres including 2.32% Cu, 13.75 g/t Au, 40.3 g/t Ag and 0.002% Mo (11.90% CuEq*) over 0.70 metre, from 230.00 to 230.70 metres. This interval is included within a large interval that yielded 0.25% CuEq* over 59.70 metres between 171.00 and 230.70 metres.

Drill hole MYT-21-40, collared on line 8+00E, intersected a zone grading 0.63% CuEq* over 5.0 metres from 21.00 to 26.00 metres, while a second zone returned 0.53% CuEq* over 3.75 metres from 96.75 to 100.50 metres. From 146.50 to 152.00 metres, another mineralized interval graded 0.25% CuEq* over 5.50 metres. In addition, a gold-bearing interval was also intersected in the same drill hole, grading 5.95 g/t Au over 1.50 metres from 192.00 to 193.50 metres.

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Drill hole MYT-21-41 (line 10+50E) intersected an interval grading 0.40% CuEq* over 5.0 metres from 72.00 to 77.00 metres, including a zone at 1.82% CuEq* over 0.75 metre from 72.00 to 72.75 metres.

Over the course of August, a prospecting campaign led to the discovery of two new high-grade boulders on the Chisaayuu claim block of the Mythril Regional project. These gold-bearing boulders are located approximately 75 kilometres east of the Cu-Au-Ag-Mo Mythril zone, where the 3D model is currently being updated to include the results of the 2021 drilling program. Such as hole MYT-21-38 where 0.59% Cu, 0.05 g/t Au, 1.87 g/t Ag and 0.025% Mo over 28.50 metres from 56.50 to 85.00 metres, including 1.02% Cu, 0.09 g/t Au, 2.62 g/t Ag and 0.048% Mo over 10.50 metres from 56.50 to 67.00 metres, was obtained.

The two mineralized boulders discovered this summer on Chisaayuu yielded values of 10.25 g/t Au, 8.02 g/t Ag (in Boulder 1), and 7.99 g/t Au, 166 g/t Ag, 0.4% Cu and 0.07% Mo (in Boulder 2). A till sampling program is in preparation for the summer of 2022, as a follow-up and to locate the source of the boulders.

4.40 Shire (Zn-Cu)

Property Description

The Shire property consists as at September 30, 2021 of 148 contiguous claims covering a total surface area of 7,870 hectares.

Exploration work on the property

No exploration work conducted on Shire during Fiscal 21. Midland is currently looking for a new partner for this project.

4.41 Wookie (Au)

Property Description

The Corporation holds the Wookie project totalling 185 claims (12,881 hectares), located near the recent Patwon gold discovery made by Azimut Exploration Inc. ("Azimut") on its Elmer project (Eeyou Istchee James Bay, Quebec). The Corporation impaired partially the property for the claims that were dropped for \$9,656.

Exploration work on the property

No significant result was received for the Wookie prospecting program conducted during Q4-20.

4.42 JV Altius (Au)

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

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 1% NSR royalty in favor of Altius, on the claims that were active at the time of their designation.

NORTHERN QUEBEC

4.43 BHP Alliance (NI)

Alliance Description

During 2021, a total of 1,194 claims (52 485 hectares) were map staked by Midland Base Metals (« MBM ») within the AOI of the strategic alliance with BHP.

On August 20, 2020, the Corporation signed an agreement with 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.

Generative Phase (I)

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

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. The Corporation 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 \$4,000,000 with a minimum of \$700,000 to be spent during the first year. During this phase, BHP and the Corporation will fund 75% and 25%, respectively, for approved work programs.

In addition, for each designated project, BHP will pay to the Corporation a designated project fee, structured as follows: \$250,000 on or before the first anniversary, \$250,000 on or before the second anniversary and \$500,000 on or before the third anniversary, of the testing phase, for a maximum of \$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 the Corporation would have the right to retain a 100% interest of the designated project and BHP would receive a 1% NSR royalty. The Corporation would have a right to buy-back such royalty for a one-time cash payment of \$1,500,000. Total royalty payments would be capped at \$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% the Corporation. 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 the Corporation a joint venture success fee of \$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.

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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 \$2,500,000. Total royalty payments would be capped at \$5,000,000 per JV Project.

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.

During Q3-31 a 5,000 km VTEM survey (2 blocks) was completed within the area of interest. Several new anomalies were identified and prioritized for the September prospecting program.

A three (3)-week prospecting program was completed in September and October under the Ni-Cu Alliance with BHP. This program was mainly designed as a ground follow-up of VTEM-type electromagnetic anomalies identified during the summer 2021 survey. More than 100 samples were collected, and assay results are pending.

4.44 Labrador Trough alliance - SOQUEM

Alliance Description

On February 18, 2021, the Corporation signed a strategic alliance with SOQUEM to jointly explore the Labrador Trough, for an amount of up to \$5,000,000 over 4 years. A joint annual budget of \$1,000,000 over a period of 4 years (firm commitment totalling \$2,000,000 for the first 2 years), for a total of up to \$4,000,000, will be provided under the alliance for the targeting and field reconnaissance phase. Midland will be the project operator in charge of exploration work during the targeting and field reconnaissance phase. An additional, firmly committed, joint budget of \$1,000,000 for the second year is provided under the agreement to explore the designated projects. The joint budgets for exploration work in the third and fourth years on the designated projects shall be approved by the project's management committee. SOQUEM will become project operator on all designated projects.

During 2021, a total of 138 claims (6,362 hectares) were map staked by Midland and SOQUEM (50%-50%) within the AOI of the strategic alliance with SOQUEM.

Exploration work in the area of interest

During Q3-21, compilation of historical data and targeting were initiated for the Labrador Trough alliance with SOQUEM. Several high priority targets were selected for the 2021 prospecting program.

During the summer of 2021, two phases of prospecting totalling three weeks each were conducted in partnership with SOQUEM under the Labrador Trough Alliance. More than 900 samples were collected, and assay results are pending.

4.45 Nachicapau

Property Description

As at September 30, 2021, the property totals 49 claims covering approximately 2,324. The Corporation dropped the claims and wrote off the property for \$25,042.

Exploration work on the property

No exploration work conducted on Nachicapau during Fiscal 21. Midland is currently looking for a new partner for this project.

4.46 Pallas (PGE)

Property Description

As at September 30, 2021, the property totals 330 claims covering approximately 15,822 hectares in the Labrador Trough («Trough») some 80 kilometres west of Kuujuaq, Québec. Some claims were dropped therefore the Corporation impaired partially for \$8,099 the exploration property cost (\$6,060 in Fiscal 20).

Exploration work on the property

No exploration work conducted on Pallas during Fiscal 21. Midland is currently looking for a new partner for this project.

4.47 Soissons (Ni-Cu-Co)

Property description

The Soissons property consists of a total of 175 claims (8,226 hectares) and is located approximately 150 kilometers southeast of the town of Kuujuaq, Quebec, in the geological province of Churchill.

Exploration work on the property

A ground EM survey (SQUID-LT) was completed on the Papavoine showing during Q3-21. These works led to the identification of several conductors down to a depth of 600 metres including one that has never been drill tested.

4.48 Soissons-NMEF (Ni-Cu-Co)

Property Description

On July 27, 2018, the Corporation signed a partnership agreement (50%-50%) with the Nunavik Mineral Exploration Fund (“NMEF”), to explore an area of the Soissons property located between 50 and 100 kilometers southeast of Kuujuaq, Nunavik, Quebec. The NMEF will be the operator of the partnership. As at September 30, 2021, this project consists of a total of 51 claims (2,362 hectares).

Exploration work on the property

Prospecting works were carried out during Q4-21 and assay results and the final report from NMEF are pending.

4.49 Willbob (Au)

Property Description

The Willbob property in the Labrador Trough consists of 1,007 claims (46,097 hectares) as of September 30, 2021 and is located approximately 66 kilometres west-southwest of Kuujuaq (Québec), near and in a geological environment similar to Midland’s Pallas Project.

The Corporation owns the Willbob property and some claims are subject to the following royalties:

- 2% NSR royalty
- 2% NSR royalty of which 1% can be bought back for a payment of \$1,000,000.

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Exploration work on the property

No exploration work conducted on Willbob during Fiscal 21. Midland is currently looking for a new partner for this project.

PROJECTS GENERATION

Midland continued some geological compilation programs in Quebec for the acquisition of new strategic gold and base metal properties.

Other Activities

Midland is proactive in the acquisition of new mineral exploration properties in Quebec. Management is constantly reviewing other opportunities and other projects to improve the portfolio of the Corporation. Acquisition opportunities outside of Quebec will also be considered. Midland prefers to work in partnership and fully intends to secure new partnerships for its properties and its 100% owned properties.

5. WORKING CAPITAL

Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing for at least the next twelve months. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Corporation has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Corporation. The Corporation may also elect to advance the exploration and development of mineral properties through joint-venture participation.

	Fiscal 22 forecast
	\$
Working capital opening	7,505,000
Operating expenses, excluding non-cash items	(1,621,000)
Project management fees and interest income	259,000
Flow-through private placement	2,500,000
Private placement	90,000
Share issue expenses	(150,000)
Exploration budget paid by Midland	(3,151,000)
Mining credits of preceding years	1,320,000
Payments received – option agreements and alliances	280,000
Property maintenance	(579,000)
Cash used	(1,052,000)
Working capital ending	6,453,000

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6. SELECTED ANNUAL INFORMATION

	Fiscal 21	Fiscal 20	Fiscal 19
	\$	\$	\$
Project management fees	202,218	23,754	33,684
Loss	(1,023,800)	(1,345,977)	(1,142,784)
Loss per share, basic and diluted	(0.01)	(0.02)	(0.02)

	As at September 30,		
	2021	2020	2019
	\$	\$	\$
Total assets	39,915,196	38,893,801	38,615,831

7. SUMMARY OF RESULTS PER QUARTERS

For the eight most recent quarters:

	Q4-21	Q3-21	Q2-21	Q1-21
	\$	\$	\$	\$
Project management fees	29,086	110,898	56,574	5,660
Net earnings (loss)	(342,253)	(53,448)	(278,208)	(349,891)
Loss per share	(0.01)	-	-	(0.01)
Total assets	39,915,196	40,362,517	39,989,959	40,047,976

	Q4-20	Q3-20	Q2-20	Q1-20
	\$	\$	\$	\$
Project management fees	23,230	-	159	365
Net earnings (loss)	(290,412)	(92,179)	(644,483)	(318,903)
Loss per share	-	-	(0.01)	(0.01)
Total assets	38,615,831	38,105,912	38,247,363	39,141,336

Highlights in Fiscal 21:

- Q4-21
 - Casault: 5,295 metres drilling
 - Gaudet: 4,483 metres drilling
- Q3-21
 - Samson: 2,405 metres drilling
 - Mythril: 1 647 metres drilling
- Q2-21
 - SOQUEM alliance agreement on the Fosse trough property
- Q1-21
 - \$2,284,750 flow-through financing and \$96,209 hard cash financing with BHP

8. FOURTH QUARTER

The Corporation reported a loss of \$342,253 for Q4-21 compared to a loss of \$290,412 for Q4-20.

Operating expenses decreased to \$369,354 in Q4-21 compared to \$472,074 in Q4-20:

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- Professional fees decreased to \$98,282 (\$178,796 in Q4-20). Legal fees decreased considering the negotiations of several partnership agreements that occurred in Q4-20. Also, a mandate was given to an external firm to develop rules and procedures in health and safety in Q4-20.

Interest income decreased to \$15,090 (\$55,153 in Q4-20). The weighted average interest rate earned on the investments is half of that earned in Fiscal 20. In addition, considering the magnitude of the executed exploration programs, the investments balance decreased from \$9,716,000 on September 30, 2020 to \$5,940,390 on September 30, 2021.

The Corporation recorded change in fair value – listed shares unfavorable of \$15,059 (favorable of \$56,061 in Q4-20).

- An unfavorable change in fair value of \$26,000 was recorded on the Niobay shares (favorable of \$50,000 in Q4-20);
- A favorable change in fair value of \$10,941 was recorded on the share of Probe (\$6,061 in Q4-20).

Those shares were received as part of option agreement on properties.

No recovery of deferred income taxes (non-cash item) was recognized to record the amortization (\$49,623 in Q4-20), in proportion of the work completed, of the premium related to flow-through shares following the November 2020 private placement (December 2019 in Fiscal 20). All exploration work imposed by the November 2020 flow-through financing was completed before June 30, 2021. The exploration work imposed by the December 2019 flow-through financings was completed in Q4-20.

The Corporation incurred \$1,909,477 (\$1,739,588 in Q4-20) in exploration expenses of which \$411,727 (\$287,761 in Q4-20) was recharged to the partners. The exploration expenses incurred in Q4-21 were incurred mainly on the BHP Alliance, Casault, Gauder and La Peltrie whereas in Q4-20 they were mostly executed on Samson, Mythril and as part of the BHP Alliance.

The Corporation acquired or maintained properties for \$59,263 net (\$26,915 net in Q4-20)

9. RELATED PARTY TRANSACTIONS

The following are the related party transactions that occurred in Fiscal 21, in the normal course of operations:

- A firm in which René Branchaud (director and corporate secretary) is a partner charged legal fees amounting to \$88,839 (\$146,834 in Fiscal 20) of which \$77,439 (\$121,446 in Fiscal 20) was expensed and \$11,400 (\$25,388 in Fiscal 20) was recorded as share issue expenses;
- A company controlled by Ingrid Martin (chief financial officer) charged accounting fees totaling \$140,857 (\$126,292 in Fiscal 20) of which \$49,619 (\$41,879 in Fiscal 20) relates to her staff. See also section 4.6;
- As at September 30, 2021, the balance due to the related parties amounted to \$12,772 (\$9,448 as at September 30, 2020).

10. EVENTS SUBSEQUENT TO YEAR END

See section 2.5 on the option agreement signed with RTEC.

11. STOCK OPTION PLAN

The purpose of the stock option plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan.

The number of common shares granted is determined by the Board of Directors. The number of common shares reserved for issuance under the Corporation's fixed number stock option plan is 5,790,000. The exercise price of any option granted under the plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the closing price on the day preceding the grant. The term of the option will not exceed ten years from the date of grant. The options normally vest 1/6 per 3 months from the grant date, or otherwise as determined by the Board of Directors.

12. OFF-BALANCE SHEET ARRANGEMENTS

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

13. COMMITMENT

In February 2016, the Corporation extended the lease for five years, from March 2017 to February 2022. The rent is \$31,432 for the first year and thereafter will be indexed annually at the highest of the increase of the consumer price index or 2.5%. The Corporation exercised its the option to renew the lease for an additional 3 year period under the same conditions. This lease is now capitalized as per IFRS 16.

14. CRITICAL ACCOUNTING ESTIMATES

See note 4 of the Financial Statements.

15. NEW ACCOUNTING STANDARDS

See note 3 of the Financial Statements.

16. FINANCIAL INSTRUMENTS

See notes 2.6 and 13 of the Financial Statements.

17. RISK FACTORS

The following discussions review a number of important risks which management believes could impact the Corporation's business. There are other risks, not identified below, which currently, or may in the future exist in the Corporation's operating environment.

17.1 Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

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Currently, there are no known bodies of commercial ore on the mineral properties of which the Corporation intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the conduct of exploration programs. The Corporation, from time to time, increases its internal exploration and operating expertise with due advice from consultants and others as required.

The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Corporation's mineral properties.

17.2 Titles to Property

While the Corporation has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

17.3 Permits and Licenses

The Corporation's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

17.4 Metal Prices

Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

17.5 Competition

The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

17.6 Environmental Regulations

The Corporation's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

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A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Corporation intends to fully comply with all environmental regulations.

17.7 Conflicts of Interest

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors or officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

17.8 Stage of Exploration

The Corporation's properties are in the exploration stage and to date none of them have a proven ore body. The Corporation does not have a history of earnings or return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

17.9 Industry Conditions

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax and mining duty increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Corporation, such as government regulations. The Corporation undertakes exploration in areas that are or could be the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.

17.10 Option, Joint Venture and Strategic Alliance Agreements

The Corporation has and may continue to enter into option, joint ventures and strategic alliance agreements as part of its business model. Any failure of any partner to meet its obligations or any disputes with respect to each partners' respective rights and obligations, could have a negative impact on the Corporation. The Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the value of these properties.

17.11 Uninsured Hazard

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Corporation may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Corporation may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Corporation assets or the insolvency of the Corporation.

17.12 Capital Needs

The exploration, development, mining and processing of the Corporation's properties will require substantial additional financing. The only current source of future funds available to the Corporation is the sale of additional equity capital. There is no assurance that such funding will be available to the Corporation or that it will be obtained on terms favourable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest.

17.13 Key Employees

Management of the Corporation rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

17.14 Canada Revenue Agency and provincial agencies

No assurance can be made that Canada Revenue Agency and provincial agencies will agree with the Corporation's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada) or any provincial equivalent.

17.15 Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Corporation's operations, financial results and condition in future periods are also subject to significant uncertainty.

17.16 Cyber Security

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage, or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks, and defects in design. Threats to information technology systems associated with cyber security risks and cyber incidents or attacks continue to grow, particularly as a result of remote work during the COVID-19 pandemic. The level of sophistication of such attacks has also increased. It is possible that the business, financial and other systems of the Corporation could be compromised, which could go unnoticed for some time. Risks associated with these threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, privacy and confidentiality breaches, and increased costs to prevent, respond to or mitigate cyber security incidents. The significance of any cyber security breach is difficult to quantify but may in certain circumstances be material and could have a material adverse effect on the Corporation's business, financial condition and results of operations.

18. FORWARD-LOOKING INFORMATION

Some statements contained in this MD&A, especially the opinions, the projects, the objectives, the strategies, the estimates, the intent and the expectations of Midland that are not historical data, are forward looking statements. Such statements can be recognized by the terms “forecast”, “anticipate”, “consider”, “foresee” and other terms and similar expressions. These statements are based on information available at the time they are made, on assumptions established by the management and on the management expectation, acting in good faith, concerning future events and concerning, by their nature, known and unknown risks and uncertainties mentioned herein (see the section 17 Risks factors). The real results for Midland could differ in an important way of those which state or that these forward-looking statements show the possibility for. Consequently, it is recommended not to trust unduly these statements. These statements do not reflect the potential incidence of special events which could be announced or take place after the date of this MD&A. These statements speak only as of the date of this MD&A. Midland undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

December 2, 2021

(s) Gino Roger

Gino Roger
President and CEO

(s) Ingrid Martin

Ingrid Martin
CFO



Independent auditor's report

To the Shareholders of Midland Exploration Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Midland Exploration Inc. and its subsidiary (together, the Company) as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at September 30, 2021 and 2020;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
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"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Maxime Guilbault.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec
December 2, 2021

¹ CPA auditor, CA, public accountancy permit No. A128042

Midland Exploration Inc.

Consolidated Statements of Financial Position

As at September 30, 2021 and 2020

(in Canadian dollars)

	As at September 30	
	2021	2020
	\$	\$
Assets		
Current assets		
Cash	1,490,860	1,306,848
Investments (note 5)	5,940,390	9,716,000
Accounts receivable	50,128	176,967
Sales tax receivable	135,380	198,353
Tax credits and mining rights receivable	1,320,091	812,437
Prepaid expenses	60,182	41,763
Total current assets	8,997,031	12,252,368
Non-current assets		
Listed shares	170,578	210,061
Right-of-use assets (note 6)	99,638	129,530
Exploration and evaluation assets (note 7)		
Exploration properties	3,182,934	2,756,553
Exploration and evaluation expenses	27,465,015	23,545,289
	30,647,949	26,301,842
Total non-current assets	30,918,165	26,641,433
Total assets	39,915,196	38,893,801
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,253,266	915,318
Advance received for exploration work	209,993	337,574
Lease liabilities – current portion (note 8)	28,341	25,601
Total current liabilities	1,491,600	1,278,493
Non-current liabilities		
Lease liabilities (note 8)	82,409	110,549
Total liabilities	1,574,009	1,389,042
Equity		
Capital stock	51,177,074	49,399,289
Warrants (note 9)	-	749,556
Contributed surplus	6,231,927	5,267,584
Deficit	(19,067,814)	(17,911,670)
Total equity	38,341,187	37,504,759
Total liabilities and equity	39,915,196	38,893,801

Subsequent events (note 16)

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

On behalf of the Board of Directors

(s) Jean-Pierre Janson

Jean-Pierre Janson

Director

(s) Gino Roger

Gino Roger

President, Director

Midland Exploration Inc.

Consolidated Statements of Comprehensive Loss

For the years ended September 30, 2021 and 2020

(in Canadian dollars)

	Fiscal 21	Fiscal 20
	\$	\$
Revenues		
Project management fees	202,218	23,754
Operating Expenses		
Salaries	734,745	798,892
Stock-based compensation	174,639	168,868
Office expenses	196,018	234,219
Regulatory fees	50,145	45,470
Conferences and investors relations	131,190	318,054
Professional fees	408,506	340,509
Depreciation (note 6)	29,892	29,892
General exploration	-	8,033
Impairment of exploration and evaluation assets (note 7)	201,717	194,603
Operating expenses	1,926,852	2,138,540
Other gains (losses)		
Interest income	98,837	253,080
Change in fair value - listed shares	7,765	90,061
Financing fees	(8,942)	(10,235)
	97,660	332,906
Loss before income taxes	(1,626,974)	(1,781,880)
Recovery of deferred income taxes (note 12)	603,174	435,903
Loss and comprehensive loss	(1,023,800)	(1,345,977)
Basic and diluted loss per share (note 11)	(0.01)	(0.02)

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

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

Midland Exploration Inc.

Consolidated Statements of Changes in Equity

For the years ended September 30, 2021 and 2020

(in Canadian dollars)

	Number of shares outstanding	Capital stock	Warrants	Contribut ed surplus	Deficit	Total equity
		\$	\$	\$	\$	\$
Balance at October 1, 2019	68,878,222	48,230,237	749,556	5,033,761	(16,454,353)	37,559,201
Loss and comprehensive loss	-	-	-	-	(1,345,977)	(1,345,977)
Private placement	73,791	62,722	-	-	-	62,722
Flow-through private placement	1,402,030	1,542,233	-	-	-	1,542,233
Less: premium	-	(435,903)	-	-	-	(435,903)
	1,402,030	1,106,330	-	-	-	1,106,330
Stock-based compensation	-	-	-	233,823	-	233,823
Share issue expenses	-	-	-	-	(111,340)	(111,340)
Balance at Sept. 30, 2020	70,354,043	49,399,289	749,556	5,267,584	(17,911,670)	37,504,759

	Number of shares outstanding	Capital stock	Warrants	Contribut ed surplus	Deficit	Total equity
		\$	\$	\$	\$	\$
Balance at October 1, 2020	70,354,043	49,399,289	749,556	5,267,584	(17,911,670)	37,504,759
Loss and comprehensive loss	-	-	-	-	(1,023,800)	(1,023,800)
Private placement	96,209	96,209	-	-	-	96,209
Flow-through private placement	1,827,800	2,284,750	-	-	-	2,284,750
Less: premium	-	(603,174)	-	-	-	(603,174)
	1,827,800	1,681,576	-	-	-	1,681,576
Warrants expired	-	-	(749,556)	749,556	-	-
Stock-based compensation	-	-	-	214,787	-	214,787
Share issue expenses	-	-	-	-	(132,344)	(132,344)
Balance as at Sept. 30, 2021	72,278,052	51,177,074	-	6,231,927	(19,067,814)	38,341,187

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

Midland Exploration Inc.

Consolidated Statements of Cash Flows

For the years ended September 30, 2021 and 2020

(in Canadian dollars)

	Fiscal 21	Fiscal 20
	\$	\$
Cash flow relating to:		
Operating activities		
Loss	(1,023,800)	(1,345,977)
Adjustment for:		
Stock-based compensation	174,639	168,868
Depreciation (note 6)	29,892	29,892
Impairment of exploration and evaluation assets (note 7)	201,717	194,603
Change in fair value - listed shares	(7,765)	(90,061)
Recovery of deferred income taxes	(603,174)	(435,903)
	(1,228,491)	(1,478,578)
Changes in non-cash working capital items		
Accounts receivable	126,839	19,803
Sales tax receivable	62,973	215,451
Prepaid expenses	(18,419)	40,820
Accounts payable and accrued liabilities	(19,615)	(363,178)
Advance received for exploration work	(127,581)	327,184
	24,197	240,080
	(1,204,294)	(1,238,498)
Financing activities		
Principal repayment – lease liabilities (note 8)	(25,400)	(23,272)
Private placement	96,209	62,722
Flow-through private placement	2,284,750	1,542,233
Share issue expenses	(132,344)	(111,340)
	2,223,215	1,470,343
Investing activities		
Additions to investments	(5,940,390)	(9,716,000)
Investments' maturity	9,716,000	12,491,000
Proceeds from disposal of listed shares	102,248	-
Additions to exploration properties	(638,049)	(481,485)
Disposal of exploration properties	110,000	114,328
Additions to exploration and evaluation expenses	(4,997,155)	(3,222,736)
Tax credits and mining rights received	812,437	1,540,507
	(834,909)	725,614
Net change in cash and cash equivalents	184,012	957,459
Cash and cash equivalents – beginning	1,306,848	349,389
Cash and cash equivalents – ending	1,490,860	1,306,848

For additional disclosure see note 14.

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

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2021 and 2020

1. STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Midland Exploration Inc. ("the Corporation"), incorporated in Canada on October 2, 1995 and operating under the Business Corporations Act (Québec), is a company in the mining exploration business. The Corporation's operations include the acquisition and exploration of mining properties. Its head office is located at 1, Place Ville Marie, suite 4000, Montreal, Quebec, H3B 4M4. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under the MD ticker.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The accompanying consolidated financial statements ("Financial Statements") have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB"). The accounting policies, method of computation and presentation applied to these financial statements are consistent with those of the previous financial year with the exception of the reclassification of certain expenses as described in note 15. These financial statements were approved and authorized for issue by the Board of Directors on December 2, 2021.

2.2 Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for certain assets at fair value.

2.3 Consolidation

The Financial Statements include the accounts of the Corporation and those of its wholly-owned subsidiary, Midland Base Metals Inc. ("MBM"). The Corporation controls an entity when the Corporation is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns, through its power over the entity. MBM is fully consolidated from the date on which control is obtained by the Corporation and is deconsolidated from the date that control ceases. All intercompany accounts and transactions are eliminated.

The subsidiary's financial statements are prepared for the same financial information presentation period as the Corporation and as per the same accounting policies.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2021 and 2020

2.4 Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Corporation and its subsidiary's functional currency.

2.5 Jointly controlled assets and exploration activities

A jointly controlled asset involves joint control and offers joint ownership by the Corporation and other venturers of assets contributed to or acquired for the purpose of the joint controlled operations, without the formation of a corporation, partnership or other entity.

Where the Corporation's activities are conducted through jointly controlled assets and exploration activities, the financial statements include the Corporation's share in the assets and the liabilities from the joint operations as well as when applicable, the Corporation's share in the income and the expenses.

2.6 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

a) Financial assets

Financial assets are derecognized when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and all substantial risks and rewards have been transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired.

Fair value through profit and loss listed shares:

Listed shares at fair value through profit and loss are equity investments recognized initially at fair value and subsequently measured at fair value. Gains or losses arising from changes in fair value are recorded in the consolidated statement of loss and comprehensive loss. Dividend income on those investments are recognized in the consolidated statement of loss and comprehensive loss.

Amortized cost:

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method less a provision for expected losses. The Corporation's cash and cash equivalents, investments and accounts receivable are classified within this category.

b) Financial liabilities

Financial liabilities measured at amortized cost

Accounts payable, accrued liabilities and advances received for exploration work are initially measured at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2021 and 2020

c) Impairment of financial assets

Amortized cost:

The expected loss is the difference between the amortized cost of the financial asset and the present value of the expected future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Provisions for expected losses are adjusted upwards or downwards in subsequent periods if the amount of the expected loss increases or decreases. For trade receivables, the Corporation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term liquid investments with original maturities of three months or less or cashable at any time without penalties.

2.8 Tax credits and mining rights receivable

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration and evaluation expenses incurred. As management intends to realize the carrying value of its assets and settle the carrying value of its liabilities through the sale of its exploration and evaluation assets, the related deferred tax has been calculated accordingly.

2.9 Exploration and evaluation assets

Exploration and evaluation ("E&E") assets are comprised of acquisition costs of mining rights for each exploration properties and E&E expenses. All costs incurred prior to obtaining the mining rights to undertake E&E activities on an area of interest are expensed as incurred.

E&E assets include mining rights in exploration properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Individual mining rights are regrouped in area of interest and are disclosed as an exploration property.

Mining rights are recorded at acquisition cost less accumulated impairment losses for each area of interest.

E&E expenses for each separate area of interest are capitalized (net from E&E expenses recovered from partners) and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition.

E&E expenses include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

E&E expenses include overhead expenses directly attributable to the related activities.

Cash flows attributable to costs capitalized to E&E assets are classified as investing activities in the consolidated statement of cash flows.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2021 and 2020

From time to time, the Corporation may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded.

Option payments are recorded when they are made or received. Proceeds on the sale of exploration properties are applied in reduction of the acquisition costs of the related mining rights, then in reduction of the E&E expenses for the related area of interest and any residual is recorded in the consolidated statement of comprehensive loss unless there is contractual work required by the Corporation in which case the residual gain is deferred and will be applied against the contractual disbursements when done.

Funds received from partners on certain properties where the Corporation is the operator in order to perform exploration work as per agreements, are accounted for in the consolidated statement of financial position as advances received for upcoming exploration work. These advances are reduced gradually when the exploration work is performed. The project management fees received when the Corporation is the operator are recorded in the consolidated statement of comprehensive loss when the E&E expenses are charged back to the partner. When the partner is the operator, the management fees are recorded in the consolidated statement of financial position as E&E expenses. Costs related to E&E assets are transferred to Property, plant and equipment when they reach the development phase and will be subject to depreciation when these properties are put into commercial production.

2.10 Lease agreements

At the commencement date of a lease, a liability is recognized to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset) is also recognized. The interest expense on the lease liability is recognized separately from the depreciation expense on the right-of-use asset.

The lease liability is remeasured upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). This remeasurement is generally recognized as an adjustment to the right-of-use asset. Leases of "low-value" assets and short-term leases (12 months or less) will continue to be recorded as operating lease.

2.11 Impairment of non-financial assets

The carrying amounts of mining rights and E&E expenses are assessed for impairment, by area of interest, only when indicators of impairment exist, typically when one of the following circumstances apply: exploration rights have expired or will expire in the near future; no future substantive exploration expenditures are budgeted or planned; no commercially viable quantities or minerals have been discovered and exploration and evaluation activities will be discontinued; exploration and evaluation assets are unlikely to be fully recovered from successful development or by sale; or a significant drop in metal prices. If any such indication exists, then the asset's recoverable amount is estimated. When some mining rights within an area of interest are abandoned during the period, the acquisition costs of those mining rights are impaired on a pro rata basis.

Mining rights and E&E expenses are systematically assessed for impairment upon the transfer of exploration and evaluation assets to development assets.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The level identified by the Company for the purposes of testing exploration and evaluation assets and mining properties for impairment corresponds to each property.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2021 and 2020

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit (“group of units”) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The carrying amounts of exploration and evaluation assets and property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment.

2.12 Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not provided for if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred income tax assets and liabilities are presented as noncurrent and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Equity

Capital stock represents the amount received on the issue of shares. Warrants represent the allocation of the amount received for units issued as well as the charge recorded for the broker warrants relating to financing. Contributed surplus includes charges related to stock options until they are exercised and the warrants that are expired and not exercised. Deficit includes all current and prior period retained profits or losses and share issue expenses.

Proceeds from unit placements are allocated between shares and warrants issued on a pro-rata basis of their value within the unit using the Black-Scholes pricing model.

Midland Exploration Inc.

Notes to Consolidated Financial Statements

For the years ended September 30, 2021 and 2020

2.14 Flow-through shares

The Corporation finances some E&E expenses through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference between the amount recorded as common shares and the amount paid by the investors for the shares (the “premium”), measured with the residual value method, is accounted for as a flow-through share premium, which is reversed to income as recovery of deferred income taxes when the eligible expenses are incurred. The Corporation recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred.

2.15 Share and warrant issue expenses

Share and warrant issue expenses are accounted for in the year in which they are incurred and are recorded as a deduction to equity in the deficit in the year in which the shares are issued.

2.16 Stock-based compensation

The Corporation operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Corporation's plan does not feature any options for a cash settlement.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Corporation. The expense is recorded over the vesting period for employees and over the period covered by the contract for non-employees.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values, unless that fair value cannot be estimated reliably. If the Corporation cannot estimate reliably the fair value of the goods or service received, the Corporation shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date using the Black & Scholes option pricing model and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the consolidated statement of comprehensive loss or capitalized as E&E expenses on the consolidated statement of financial position, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Warrants to brokers, in respect of an equity financing are recognized as share issue expense reducing the equity in the deficit with a corresponding credit to warrants.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as capital stock. The accumulated charges related to the share options recorded in contributed surplus are then also transferred to capital stock.

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2.17 Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the weighted average number of shares outstanding during the year for the calculation of the dilutive effect of warrants and stock options unless they have an anti-dilutive effect.

2.18 Revenue recognition

The project management fees received when the Corporation is the operator are recorded in the consolidated statement of comprehensive loss when the exploration work recharged to the partners are incurred.

2.19 Segment disclosures

The Corporation currently operates in a single segment – the acquisition, exploration and evaluation of exploration properties. All of the Corporation's activities are conducted in Canada.

3. NEW ACCOUNTING STANDARDS

The most relevant standards, amendments and interpretations issued up to the date of the issuance of these financial statements are listed below.

Amendments to IAS 1 Presentation of Financial Statements

The IASB has made amendments to IAS 1 Presentation of Financial Statements that use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting, to clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Corporation adopted IAS 1 on October 1, 2020, which did not have a significant impact on the consolidated financial statements disclosures.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

JUDGMENTS

4.1 Impairment of E&E assets

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

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

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

The total impairment loss of the E&E assets recognized is \$201,717 for the year ended September 30, 2021 ("Fiscal 21") (\$194,603 for the year ended September 30, 2020 ("Fiscal 20")). No reversal of impairment losses has been recognized for the reporting periods.

4.2 Deferred taxes

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

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

Refundable credit on mining duties and refundable tax credit related to resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statement of financial position date.

The calculation of the Corporation's credit on mining duties and tax credit related to resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority.

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

Midland Exploration Inc.

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4.4 Uncertainty due to COVID-19

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Corporation's operations, financial results and condition in future periods are also subject to significant uncertainty.

In keeping with the health and safety guidelines, the Corporation, like most businesses, transitioned itself starting in March 2020 with its staff working remotely from home remaining operational. Following the announcement of the resumption of mining exploration works starting May 11, 2020, the Corporation implemented a protocol to return on the field which includes health prevention measures and communication plan with the communities.

The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its non-current assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

5. INVESTMENTS

As at September 30, 2020, investments are composed of guaranteed investment certificates, not cashable before the expiry date, earning between 0.9% and 2.3% interest payable annually, maturing between October 20, 2020 and September 29, 2021. The investments' maturity value is \$9,880,989.

As at September 30, 2021, investments are composed of guaranteed investment certificates, not cashable before the expiry date, earning between 0.75% and 1.00% interest payable annually, maturing between October 21, 2021 and March 31, 2022. The investments' maturity value is \$5,989,968.

6. RIGHT-OF-USE ASSETS

	Buildings
	\$
Cost	
As at October 1, 2019 and as at September 30, 2021	159,422
Accumulated depreciation	
As at October 1, 2019	-
Depreciation for the year	29,892
As at September 30, 2020	29,892
Depreciation for the year	29,892
As at September 30, 2021	59,784
Net book value	
As at September 30, 2020	129,530
As at September 30, 2021	99,638

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7. EXPLORATION AND EVALUATION ASSETS

The following table disclose the acquisition costs of exploration properties by region:

Acquisition costs	As at Sept. 30, 2020	Net Additions	Option payments	Impairment	As at Sept. 30, 2021
	\$	\$	\$	\$	\$
Abitibi	930,677	196,977	(55,810)	(58,416)	1,013,428
Grenville	67,597	155,238	-	(31,588)	191,247
James Bay	1,251,348	232,292	-	(33,905)	1,449,735
Northern Quebec	502,171	35,641	-	(17,363)	520,449
Project generation	4,760	3,315	-	-	8,075
	2,756,553	623,463	(55,810)	(141,272)	3,182,934

Acquisition costs	As at Sept. 30, 2019	Net Additions	Option payments	Impairment	As at Sept. 30, 2020
	\$	\$	\$	\$	\$
Abitibi	875,404	183,395	(105,840)	(22,282)	930,677
Grenville	45,889	21,708	-	-	67,597
James Bay	1,190,487	211,551	-	(150,690)	1,251,348
Northern Quebec	444,783	63,448	-	(6,060)	502,171
Project generation	4,649	111	-	-	4,760
	2,561,212	480,213	(105,840)	(179,032)	2,756,553

In Fiscal 21, the Corporation impaired partially the following properties for some claims that were dropped for \$120,971 (BJ Gold for \$6,960, Komo for \$9,369, Laflamme for \$12,865, Lewis for \$1,505, Mistauac for \$5,673, Pallas for \$8,099, Turgeon for \$35,256, Weedon for \$31,588 and Wookie for \$9,656) and wrote off the properties (or some projects included in these properties) for \$20,301 (Coigny for \$3,117, Minas Tirith for \$3,530, a project included in Mythril for \$4,390 and Nachicapau for \$9,264) since no exploration program was planned for the near future and/or all claims were dropped. In Fiscal 20, the Corporation impaired partially the properties for the claims that were dropped for \$178,249 (Laflamme for \$15,978, Mythril for \$150,690 and Pallas for \$6,060 and Samson for \$5,521) and wrote off the properties (or some projects included in these properties) for \$783 (Abitibi Gold) since no exploration program was planned for the near future and/or all claims were dropped.

The following table disclose details of exploration and evaluation expenses by region:

Exploration and evaluation expenses	As at Sept. 30, 2020	Net Additions	Option payments	Tax credits	Impairment	As at Sept. 30, 2021
	\$	\$	\$	\$	\$	\$
Abitibi	10,067,943	3,155,418	(109,190)	(654,712)	(1,066)	12,458,393
Grenville	836,108	426,012	-	(4,531)	-	1,257,589
James Bay	8,673,408	1,390,461	-	(543,553)	(43,601)	9,476,715
Northern Quebec	3,930,512	437,561	-	(117,295)	(15,778)	4,235,000
Project generation	37,318	-	-	-	-	37,318
	23,545,289	5,409,452	(109,190)	(1,320,091)	(60,445)	27,465,015

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Exploration and evaluation expenses	As at Sept. 30, 2019	Net Additions	Option payments	Tax credits	Impairment	As at Sept. 30, 2020
	\$	\$	\$	\$	\$	\$
Abitibi	8,639,183	1,978,308	(58,488)	(475,489)	(15,571)	10,067,943
Grenville	719,988	124,185	-	(8,065)	-	836,108
James Bay	7,765,158	1,185,613	-	(277,363)	-	8,673,408
Northern Quebec	3,763,005	214,571	-	(47,064)	-	3,930,512
Project generation	23,232	18,542	-	(4,456)	-	37,318
	20,910,566	3,521,219	(58,488)	(812,437)	(15,571)	23,545,289

In Fiscal 21, the Corporation wrote off the properties (or some projects included in these properties) for \$60,445 (Coigny for \$1,066, Minas Tirith for \$41,895, a project included in Mythril for \$1,706 and Nachicapau for \$15,778) since no exploration program was planned for the near future and/or all claims were dropped.

In Fiscal 20, the Corporation wrote off the properties (or some projects included in these properties) for \$15,571 (Abitibi Gold) since no exploration program was planned for the near future and/or all claims were dropped.

ABITIBI

7.1 Casault

On June 16, 2020, the Corporation signed an option agreement with Wallbridge Mining Company Limited (“Wallbridge”) whereby Wallbridge may earn a 50% interest in the Casault property in consideration of the following:

	Cash payments	Exploration work
	\$	\$
Upon signature – completed	100,000	-
On or before June 30, 2021 - completed	110,000	750,000
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	5,000,000

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. Wallbridge is the operator.

The Casault property is subject to a 1% net smelter return (“NSR”) royalty; the Corporation 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 (see note 7.10).

7.2 Gaudet

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.

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On July 29, 2020, the Corporation signed a joint venture agreement with Probe Metals Inc. (“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.

7.3 Heva

The Corporation owns the Heva property and some claims are subject to a 2% NSR royalty to the original holders, half of the royalty can be bought back for a payment of \$1,000,000.

7.4 Jouvex

The Casault property is subject to a 1% net smelter return (“NSR”) royalty; the Corporation 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 (see note 7.10).

On April 7, 2021, the Corporation signed the acquisition from SOQUEM of two blocs of claims contiguous to the Jouvex property by paying \$60,000 and by issuing a 1% NSR royalty; the Corporation 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% royalty.

7.5 La Peltrie

The Corporation owns the La Peltrie property and some claims are subject to a 1% Gross Metal royalty.

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:

	Payments	Exploration work
	\$	\$
Upon signature - completed ¹⁾	50,000	-
On or before July 31, 2021 completed ²⁾	55,000	500,000
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	3,500,000

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

2) In July 2021, the Corporation received 32,544 shares of Probe based on a 5 days VWAP calculation to total \$55,000.

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. Probe is the operator.

7.6 Lac Esther

On May 11, 2020, the Corporation signed an agreement with Exiro Minerals Corp. whereby it acquired a bloc of claims contiguous to the Lac Esther property for a \$10,000 cash payment, \$35,000 work commitment to be completed before June 2021 and a 2% NSR royalty of which 1% can be bought back for a cash payment of \$1,000,000.

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On May 14, 2020, the Corporation signed an agreement with Goldseek Resources Inc. ("Goldseek") whereby it swapped a bloc of claims of the Adam property with a bloc of claims contiguous to the Lac Esther property. The Corporation received a 2% NSR royalty on Adam bloc of claims and this royalty can be bought back by Goldseek for a cash payment of \$1,000,000 to the Corporation. On the other hand, the Corporation assumes a 2% NSR royalty on the Lac Esther bloc of claims relating to a prior agreement and half of this royalty can be bought back by the Corporation for a cash payment of \$1,000,000.

7.7 Laflamme Au-Cu

The Corporation holds 77.9% of the Laflamme property.

7.8 Maritime-Cadillac

The Corporation holds 49% of the Maritime-Cadillac property. The property is subject to a 2% 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 is shared 51% Agnico Eagle - 49% the Corporation.

7.9 Patris

The Corporation holds the Patris property and some claims are subject to the following NSR royalties varying from 1% to 2% that can be bought back in tranches for an aggregate of \$7,000,000.

GRENVILLE

7.10 Gatineau

On February 20, 2020, the Corporation signed an agreement 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; the Corporation 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.

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.

7.11 Tête Nord

The Corporation assembled the Tête Nord property through map staking and acquisition.

On November 13, 2020, the Corporation signed an agreement with Les Ressources Tectonic inc. whereby it acquired the Tête Nord property for a \$100,000 cash payment (\$30,000 upon signature (completed), \$35,000 on the first anniversary and \$35,000 on the second anniversary) and a 2% net smelter return ("NSR") royalty that can be bought back for a cash payment of \$1,500,000 for each 1% for a total amount of \$3,000,000.

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In March 2021, the Corporation signed four agreements with different prospectors whereby it acquired blocs of claim for cash payments totalling \$41,050. The Corporation issued three 2% NSR royalties to the prospectors. The Corporation may, at any time, buy back each royalty, in all or in part, by making a cash payment of \$2,000,000 per royalty, \$1,000,000 per tranche of 1% royalty. For the fourth agreement, the Corporation agreed to make a \$25,000 payment if a resources estimate is completed on the bloc acquired or on the 40 contiguous claims owned by the Corporation.

7.12 Weedon

The Corporation holds the Weedon property and some claims are subject to NSR royalties varying from 0.5% to 1.5% that can be bought back in tranches for an aggregate of \$3,000,000.

JAMES BAY

7.13 JV Eleonore (Au)

On June 13, 2016, a joint-venture agreement (50%-50%) was signed with Osisko Mining Inc. ("Osisko") whereby Osisko and the Corporation cooperate and combine their efforts to explore the JV Eleonore. The property is located 12 kilometres southeast and northwest of Goldcorp's Eleonore deposit. Osisko is the operator. Each partner obtained a 0.5% NSR royalty as a mutual consideration for the constitution of the joint-venture.

NORTHERN QUEBEC

7.14 BHP Alliance

On August 20, 2020, the Corporation signed an agreement 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.

Generative Phase (I)

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

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. The Corporation 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 \$4,000,000 with a minimum of \$700,000 to be spent during the first year. During this phase, BHP and the Corporation will fund 75% and 25%, respectively, for approved work programs.

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In addition, for each designated project, BHP will pay to the Corporation a designated project fee, structured as follows: \$250,000 on or before the first anniversary, \$250,000 on or before the second anniversary and \$500,000 on or before the third anniversary, of the testing phase, for a maximum of \$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 the Corporation would have the right to retain a 100% interest of the designated project and BHP would receive a 1% NSR royalty. The Corporation would have a right to buy-back such royalty for a one-time cash payment of \$1,500,000. Total royalty payments would be capped at \$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% the Corporation. 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 the Corporation a joint venture success fee of \$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 \$2,500,000. Total royalty payments would be capped at \$5,000,000 per JV Project.

7.15 Labrador Trough - alliance

On February 18, 2021, the Corporation signed a strategic alliance with SOQUEM to jointly explore the Labrador Trough, for an amount of up to \$5,000,000 over 4 years. A joint annual budget of \$1,000,000 over a period of 4 years (firm commitment totalling \$2,000,000 for the first 2 years), for a total of up to \$4,000,000, will be provided under the alliance for the targeting and field reconnaissance phase. The Corporation will be the project operator in charge of exploration work during the targeting and field reconnaissance phase. An additional, firmly committed, joint budget of \$1,000,000 for the second year is provided under the agreement to explore the designated projects. The joint budgets for exploration work for the third and fourth years on the designated projects shall be approved by the project's management committee. SOQUEM will become project operator on all designated projects.

7.16 Soissons-NMEF property

On July 27, 2018, the Corporation signed a partnership agreement (50%-50%) with the Nunavik Mineral Exploration fund (“NMEF”), to explore an area of the Soissons property. The NMEF is the operator of the partnership.

7.17 Willbob

The Corporation owns the Willbob property and some claims are subject to the following royalties:

- 2% NSR royalty
- 2% NSR royalty of which 1% can be bought back for a payment of \$1,000,000.

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8. LEASE LIABILITIES

	As at September 30 2021	As at September 30 2020
	\$	\$
Opening balance	136,150	159,422
Principal repayment	(25,400)	(23,272)
Lease liabilities	110,750	136,150
Less : current lease liabilities	(28,341)	(25,601)
Non-current lease liabilities	82,409	110,549

9. EQUITY

9.1 Capital stock authorized

Unlimited number of common shares without par value, voting and participating.

9.2 Private placements

a) December 2019

On December 4 and 13, 2019, the Corporation completed private placements of 1,402,030 flow-through shares at \$1.10 per share for total gross proceeds of \$1,542,233. On those dates, the Corporation's share closed at \$0.79 and \$0.77 respectively on the Exchange, therefore the residual values attributed to the benefit related to flow-through shares renunciation are \$0.31 and \$0.33 for a total value of \$435,903, credited to the liability related to the premium on flow-through shares which was subsequently reduced to nil as the required expenditures were incurred before September 30, 2020.

In connection with the private placements, the Corporation incurred \$111,340 share issue expense, of which \$63,457 was paid as finder's fees. Directors and officers of the Corporation participated in the flow-through private placement for a total consideration of \$174,900 under the same terms as other investors.

On December 13, 2019, the Corporation completed a private placement of 73,791 shares at a price of \$0.85 per share for total gross proceeds of \$62,722. BHP has exercised its right to maintain its ownership to 5.0% by acquiring these 73,791 shares. This right had been granted to BHP on April 18, 2019 pursuant to an Investor Rights Agreement with the Corporation.

All the exploration work imposed by the November 2020 flow-through financings was completed.

b) November 2020

On November 5, 2020, the Corporation completed a private placement of 1,827,800 flow-through shares at \$1.25 per share for total gross proceeds of \$2,284,750. On that date, the Corporation's share closed at \$0.92 on the Exchange, therefore the residual value attributed to the benefit related to flow-through shares renunciation are \$0.33 for a total value of \$603,174 credited to the liability related to the premium on flow-through shares.

In connection with the private placements, the Corporation incurred \$132,344 share issue expenses of which \$100,065 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.

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On November 9, 2020, the Corporation completed a private placement of 96,209 shares at a price of \$1.00 per share for total gross proceeds of \$96,209. 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.

All the exploration work imposed by the November 2020 flow-through financings was completed.

9.3 Warrants

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

	Fiscal 21		Fiscal 20	
	Number	Amount	Number	Amount
		\$		\$
Balance – Beginning of period	4,110,667	749,556	4,110,667	749,556
Issued following private placement	-	-	-	-
Expired	(4,110,667)	(749,556)	-	-
Balance – End of period	-	-	4,110,667	749,556

9.4 Policies and processes for managing capital

The capital of the Corporation consists of the items included in equity of \$38,341,187 as of September 30, 2021 (\$37,504,759 as of September 30, 2020). The Corporation's objectives when managing capital are to maximise shareholders value, maintain an optimal share capital structure to reduce capital cost, safeguard its ability to continue its operations as well as its acquisition and exploration programs. As needed, the Corporation raises funds in the capital markets. The Corporation does not use long term debt since it does not generate operating revenues. There is no dividend policy. The Corporation does not have any externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject unless:

- The Corporation closes a flow-through private placement in which case the funds are reserved in use for exploration expenses (and the Corporation was in compliance during the year);
- The terms of the 2019 investment agreement with BHP are triggered. Thus, 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 the Corporation to allow BHP to maintain its then current pro rata non-diluted ownership interest in the Corporation or to increase its ownership interest in the Corporation 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 the Corporation;
 - 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 the Corporation in Quebec; and
 - the right of first offer on the Mythril project in the event the Corporation 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 Corporation board of directors.

Midland Exploration Inc.

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10. EMPLOYEE REMUNERATION

10.1 Salaries

	Fiscal 21	Fiscal 20
	\$	\$
Salaries and bonuses	1 278 374	1,362,278
Director fees	124 278	113,625
Benefits	94 624	113,030
	1 497 276	1,588,933
Less: salaries and benefits capitalized in E&E assets	(762 531)	(790,041)
Salaries disclosed on the consolidated statement of comprehensive loss	734 745	798,892

10.2 Stock-based compensation

	Fiscal 21	Fiscal 20
	\$	\$
Stock-based compensation	214,787	233,823
Less: stock-based compensation capitalized in the E&E assets	(40,148)	(64,955)
Stock-based compensation disclosed on the consolidated statement of comprehensive loss	174,639	168,868

The Corporation has a stock option plan (the "Plan"). The number of common shares granted is determined by the Board of Directors. The number of common shares reserved for issuance under the Corporation's fixed number stock option plan is 5,790,000. The exercise price of any option granted under the plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the closing price on the day preceding the grant. The term of the option will not exceed ten years from the date of grant. The options normally vest 1/6 per 3 months from the grant date, or otherwise as determined by the Board of Directors.

On February 13, 2020, the Corporation granted to its directors, officers, employees and consultants 620,000 options exercisable at \$0.72, valid for 10 years. Those options were granted at an exercise price equal to the closing market value of the shares the previous day of the grant. Total stock-based compensation costs amount to \$210,800 for an estimated fair value of \$0.34 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 48.0% expected volatility, 1.39% risk-free interest rate and 6 years options expected life.

On February 11, 2021, the Corporation granted to its directors, officers and employees 525,000 options exercisable at \$0.82, valid for 10 years. Those options were granted at an exercise price equal to the closing market price of the Corporation's shares on the business day prior to the date of the issuance. Total stock-based compensation costs amount to \$183,750 for an estimated fair value of \$0.35 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 46.3% expected volatility, 0.6% risk-free interest rate and 6 years options expected life.

On March 18, 2021, the Corporation granted to a director 80,000 options exercisable at \$0.88, valid for 10 years. Those options were granted at an exercise price equal to the closing market price of the Corporation's shares on the business day prior to the date of the issuance. Total stock-based compensation costs amount to \$32,800 for an estimated fair value of \$0.41 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 48.2% expected volatility, 1.17% risk-free interest rate and 6 years options expected life.

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On September 8, 2021, the Corporation granted to a director 80,000 options exercisable at \$0.75, valid for 10 years. Those options were granted at an exercise price higher than the closing market price of the Corporation's shares on the business day prior to the date of the issuance. Total stock-based compensation costs amount to \$22,400 for an estimated fair value of \$0.28 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 47.5% expected volatility, 0.92% risk-free interest rate and 6 years options expected life.

This expected life was estimated by benchmarking comparable situations for companies that are similar to the Corporation. The expected volatility was determined by calculating the historical volatility of the Corporation's share price back from the date of grant and for a period corresponding to the expected life of the options.

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

	Fiscal 21		Fiscal 20	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – Beginning of year	4,940,000	1.05	4,320,000	1.07
Granted	685,000	0.82	620,000	0.72
Expired	(380,000)	1.51	-	-
Balance – End of year	5,245,000	0.96	4,940,000	1.02
Balance – End of year exercisable	4,761,668	0.97	4,526,668	1.05

The following table summarizes information about common share purchase options outstanding and exercisable as at September 30, 2021:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
315,000	315,000	1.54	February 16, 2022
20,000	20,000	1.61	February 27, 2022
330,000	330,000	1.25	February 19, 2023
580,000	580,000	0.85	February 20, 2024
420,000	420,000	0.60	August 13, 2025
485,000	485,000	1.10	August 11, 2026
50,000	50,000	1.13	November 23, 2026
530,000	530,000	1.14	February 21, 2027
100,000	100,000	1.04	May 10, 2027
550,000	550,000	0.89	February 15, 2028
560,000	560,000	1.03	February 18, 2029
620,000	620,000	0.72	February 13, 2030
525,000	175,000	0.82	February 11, 2031
80,000	26,668	0.88	March 18, 2031
80,000	-	0.75	September 8, 2031
5,245,000	4,761,668		

Midland Exploration Inc.

Notes to Consolidated Financial Statements

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10.3 Compensation to key management

The Corporation's key management personnel includes the president, the vice-president exploration and the chief financial officer as well as members of the board of directors. Key management remuneration is as follows:

	Fiscal 21	Fiscal 20
	\$	\$
Short-term benefits		
Salaries including bonuses and benefits	702,445	694,259
Professional fees	84,338	78,938
Professional fees recorded in share issue expenses	6,900	5,475
Salaries including bonuses and benefits capitalized in E&E expenses	43,879	7,973
Long-term benefits		
Stock-based compensation	165,553	160,910
Total compensation	1,003,115	947,555

The Corporation has employment and consulting agreements with members of senior management which, among other things, provided that in the event of a termination without cause or of a change of control, a compensation equivalent to between 18 to 24 months of salary or consulting fees will be paid for a total of \$1,083,786.

10.4 Related party transactions

In addition to the amounts listed above in the compensation to key management (note 10.3 and elsewhere in the Financial Statements) following are the related party transactions.

In the normal course of operations:

- A firm in which an officer is a partner charged professional fees amounting to \$88,839 (\$146,834 in Fiscal 20) of which \$77,439 (\$121,446 in Fiscal 20) was expensed and \$11,400 (\$25,388 in Fiscal 20) was recorded as share issue expenses;
- A company controlled by an officer charged professional fees of \$49,619 (\$41,879 in Fiscal 20) for her staff; and
- As at September 30, 2021, the balance due to the related parties amounted to \$12,772 (\$9,448 in September 30, 2020).

11. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in notes 9 and 10.

	Fiscal 21	Fiscal 20
	\$	\$
Loss	(1,023,800)	(1,345,977)
Weighted average number of basic and diluted outstanding shares	72,087,232	70,088,564
Basic and diluted net loss per share	(0.01)	(0.02)

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12. INCOME TAXES

The income tax expense is made up of the following component:

	Fiscal 21	Fiscal 20
	\$	\$
Deferred income taxes	-	-
Premium on flow-through share issuance	(603,174)	(435,903)
Recovery of deferred income taxes	(603,174)	(435,903)

The provision for income taxes presented in the financial statements is different from what would have resulted from applying the combined Canadian Statutory tax rate as a result of the following:

	Fiscal 21	Fiscal 20
	\$	\$
Loss before income taxes	(1,626,974)	(1,781,880)
Combined federal and provincial income tax at 26.50% (26.50% in 2020)	(431,100)	(474,000)
Non-deductible expenses	46,300	44,900
Tax effect of renounced flow-through share expenditures	605,400	408,700
Amortization of flow-through share premiums	(603,174)	(435,903)
Unrecognized temporary differences	(219,721)	42,500
Other elements	(879)	(22,100)
Recovery of deferred income taxes	(603,174)	(435,903)

The ability to realize the tax benefits is dependent upon a number of factors, including the sale of properties. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recognized. Accordingly, some deferred tax assets have not been recognized; these deferred tax assets not recognized amount to \$127,000 (\$348,000 as of September 30, 2020).

Significant components of the Corporation's deferred income tax assets and liabilities are as follows:

	As of September 30, 2021	As of September 30, 2020
	\$	\$
Deferred income tax assets		
Non-capital losses	4,300,000	3,433,000
Donations	19,000	23,000
Share and warrant issue expenses	96,000	109,000
Lease liabilities	29,000	36,000
Total deferred income tax assets	4,444,000	3,601,000
Deferred income tax liabilities		
E&E assets	4,284,000	3,202,000
Unrealized gain on listed shares	7,000	17,000
Right-of-use assets	26,000	34,000
Total deferred income tax liabilities	4,317,000	3,253,000
Deferred income tax assets not recognized	127,000	348,000

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As of September 30, 2021, expiration dates of losses available to reduce future years' income tax are:

	Federal	Provincial
	\$	\$
2026	84,000	69,000
2027	126,000	112,000
2027	177,000	183,000
2028	540,000	514,000
2029	645,000	631,000
2030	726,000	713,000
2031	677,000	663,000
2032	748,000	736,000
2033	906,000	891,000
2034	760,000	749,000
2035	820,000	811,000
2036	1,062,000	1,048,000
2037	1,360,000	1,343,000
2038	1,275,000	1,261,000
2039	1,501,000	1,481,000
2040	1,644,000	1,627,000
2041	2,417,000	2,777,000

All the exploration work imposed by the December 2019 flow-through financings was completed before September 30, 2020. Also, all the exploration work imposed by the December 2020 flow-through financings was completed before September 30, 2021.

13. FINANCIAL INSTRUMENTS AND RISKS

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. The Corporation's management manages financial risks. The Corporation does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Corporation's main financial risk exposure and its financial risk management policies are as follows:

13.1 Market Risk

Interest rate fair value risk

Since the guaranteed investment certificates are at fixed rates, the Corporation is not exposed to interest rate risk on the instruments themselves. The Corporation's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

Listed shares risk

Listed shares risk is the risk that the fair value of a financial instrument varies due to the changes in the Canadian mining sector and equity market. For the Corporation's listed shares at fair value through profit and loss, a variation of plus or minus 20% of the quoted market prices as at September 30, 2021 would result in an estimated effect on the net income (loss) of \$34,116.

13.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is subject to concentrations of credit risk through cash and cash equivalents, investments and accounts receivable. The Corporation reduces its credit risk by maintaining part of its cash and cash equivalents and its investments in financial instruments held with a Canadian chartered bank, with a broker which is a subsidiary of a Canadian chartered bank or with an independent investment dealer member of the Canadian Investor Protection Fund.

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In Fiscal 2021, the investments are composed of guaranteed investment certificates issued by Canadian banks or guaranteed by the Canadian Investor Protection Fund. The Corporation aims at signing partnership agreements with established companies and follows their cash position closely to reduce its credit risk on accounts receivable. The carrying amount of cash and cash equivalents and investments represents the Corporation maximum credit exposure. Nevertheless, the management considers the credit risk to be minimal and further disclosure are not significant.

13.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. As at September 30, 2021, the Corporation has working capital of \$7,505,431 including cash and cash equivalents of \$1,490,860. Management of the Corporation believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due.

The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

13.4 Fair value

The carrying value of cash, accounts receivable, investments and accounts payable and accrued liabilities, advance received for upcoming exploration work and lease liabilities are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

Fair value estimates are made at the consolidated statement of financial position date, based on relevant market information and other information about financial instruments.

The fair value of the listed shares at fair value through profit and loss is established using the closing price on the most beneficial active market for this instrument that is readily available to the Corporation and as such are classified as Level 1 in the fair value hierarchy.

14. ADDITIONAL INFORMATION ON CASH FLOWS

	Fiscal 21	Fiscal 20
	\$	\$
Stock-based compensation included in E&E expenses	40,148	64,955
Additions of exploration properties and E&E expenses included in accounts payable and accrued liabilities	938,745	522,010
Tax credits receivable applied against E&E expenses	1,320,091	812,437
Listed shares received for option payment	55,000	50,000
Interest received	157,209	352,255

15. RECLASSIFICATIONS

For presentation purposes, the following expenses included in the consolidated statement of comprehensive loss were reclassified to provide more relevant information:

- Travel and rent and insurance were grouped with office expenses.
- Conferences and mining industry involvement as well as press releases and investors relations were grouped under conferences and investors relations.

The comparative figures for Fiscal 20 were reclassified accordingly.

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16. SUBSEQUENT EVENT

On December 1, 2021, the Corporation signed an option agreement with Rio Tinto Exploration Canada Inc. ("RTEC") for its Tete Nord property. Under this new agreement, RTEC may earn an initial 50% interest (First Option) in the Tete Nord property over a period of four years, by fulfilling the following conditions:

- Exploration expenditures totalling \$4,000,000, including a minimum of \$500,000 in the first year.
- Cash payments totalling \$500,000, including \$100,000 within 30 days of execution of the agreement

After earning an initial 50% interest, RTEC may elect to increase its interest to 70% (Second Option) over a period of four years by fulfilling the following conditions:

- Exploration expenditures totalling up to \$10,000,000 and cash payments totalling \$500,000, gaining interest on the following schedule:
- An additional 1% interest (for a total of 51%) by funding an additional \$250,000 of exploration expenditures;
- An additional 1% interest for each additional \$500,000 of exploration expenditures (for a total of up to 69%);
- An additional 1% (for a total of 70%) by funding an additional \$750,000 of exploration expenditures.

RTEC retains right to act as operator for the First and the Second Option; or at its discretion elects to have the Corporation act as operator on RTEC's behalf.

Midland Exploration Inc.

Corporate Information

Directors

Paul Archer ^{2) 3)}
René Branchaud ²⁾
Jean des Rivières ³⁾
Annie Dutil ¹⁾
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

Gino Roger, President and Chief Executive Officer
Mario Masson, Vice-president Exploration
Ingrid Martin, Chief Financial Officer
René Branchaud, Secretary

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