Midland Enters Into Strategic Alliance With BHP for Funding Nickel Exploration in Nunavik, Quebec

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MONTREAL, Aug. 24, 2020 - Midland Exploration Inc. (“Midland”) (TSX-V: MD) is pleased to announce the execution of an alliance agreement between Midland, its wholly-owned subsidiary, Midland Base Metals Inc., and Rio Algom Limited, a wholly-owned subsidiary of BHP Group plc (“BHP”), for a new strategic alliance (“Alliance”) for the initial funding by BHP of a generative exploration phase and opportunities for joint contributions to advance nickel exploration within the Nunavik territory, Quebec.

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

Generative Phase (I)

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

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

Testing Phase (II)

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

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

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

BHP has the right to cease contributing its share of the funding of a Designated Project in which case Midland would have the right to retain a 100% interest of the Designated Project and BHP would receive a net smelter returns royalty interest.

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

Project”).

Joint Venture Phase (III)

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

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

If a party’s participating interest in the joint venture is diluted below 10%, such interest would be converted into a net smelter returns royalty interest.

First field program upcoming in 2020

BHP and Midland are currently preparing logistics of the first phase of work which already includes several high-quality targets to be visited during this first field program that is planned to be conducted during the month of September 2020.

About Midland

Midland targets the excellent mineral potential of Quebec to make the discovery of new world-class deposits of gold, platinum group elements and base metals. Midland is proud to count on reputable partners such as BHP, Wallbridge Mining Company Ltd., Probe Metals Inc., Agnico Eagle Mines Ltd., Osisko Mining Inc., SOQUEM INC., Nunavik Mineral Exploration Fund and Abcourt Mines Inc. Midland prefers to work in partnership and intends to quickly conclude additional agreements in regard to newly acquired properties. Management is currently reviewing other opportunities and projects to build up Midland portfolio and generate shareholder value.

This press release was reviewed and approved by Mario Masson. P.Geo., VP Exploration for Midland and Qualified Person as defined by NI 43-101, who also approved the technical content of this press release.

For further information, please consult Midland’s website or contact:

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Forward-looking Information

This news release contains forward-looking statements and forward-looking information (together, “forward-looking statements”) within the meaning of applicable securities laws. Forward-looking statements include the funding under the Generative Phase, the advancement of a project to the Testing Phase, the expenditure amount under the Testing Phase, the payment of success fees to Midland, the advancement of a project to the Joint Venture Phase and other estimates and statements that describe Midland’s future plans, objectives or goals, including words to the effect that Midland or management expects a stated condition or result to occur. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, without limitation, certain rights of BHP to cease funding under the Alliance, the results of exploration in the AOI, the ability of Midland to contribute funding to maintain its interests in Designated Projects, the ability of Midland to fund its contributions under a joint venture, if formed, or have any participating interest diluted, changes in general economic conditions and conditions in the financial markets, changes in demand and prices for minerals, failure to obtain the requisite permits and approvals from government bodies and third parties, regulatory and governmental policy changes (laws and policies) and those risks set out in Midland’s public documents, including in each management discussion and analysis, filed on SEDAR at www.sedar.com. Although Midland believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by applicable law, Midland disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.