

Adrian Day's

Global Analyst

Issue No. 472, 3 pages

13th March 2011

In this letter, we discuss a few more junior resource companies with recent developments, most of which represent good buys at current levels. There have been developments at many of our companies, and we aim to bring you up to date on these in the next couple of bulletins. In the meantime, if our recommendation ever changes to a “sell”, we will inform you immediately.

STRONG EXPLORATION PLANS AND A MERGER MEAN “BUYS”

Midland Exploration (MD, Toronto, 1.77-1.81) has been one of our top exploration companies since we first recommended it at the end of 2008 at 44 cents. It remains a buy, though, given its thin trading, you should avoid driving up the price by your own buying.

Midland follows the prospect generator model in Quebec. It continues to add properties and new joint ventures, as well as boost exploration plans. A recent new joint venture was the option of a gold properties (Patris) to Aurizon who must spend \$3 million in exploration to earn in to the property. This will be a very active season for Midland.

* Three properties are being drilled now, two gold and one zinc, including the second-phase drilling on a gold property by Osisko, and the first phase of drilling by North American Palladium on the Laflamme gold property.

* Two more will commence drilling early new month, the first program by Aurizon and a follow up by Agnico on the prospective Maritime-Cadillac property; Agnico, which had a discovery on ground adjacent to Midland's, is driving an exploration drift from there onto the joint-venture land.

* One property will be drilled by Midland to boost its value before seeking a partner; and

* The rare earths joint venture with Jogmec will see drilling on new targets in July following quite encouraging results from an earlier drill program.

Using other people's money to maintain strong balance sheet

For a company the size of Midland (\$44 million market cap.), this represents a very full dance card with multiple opportunities for ongoing success. There are numerous other properties—a total of 19 in all (depending on how you count them). The company is well financed, with \$4.8 million in cash, sufficient for current programs (following a year of

no dilution); warrants marginally in the money and expiring in May could add another \$1.8 million if exercised.

All in all, Midland is well financed, has multiple projects with a very active exploration program, and continues to execute on a its well-thought out business plan in a methodical and disciplined manner.

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