



## Midland Acquires Strategic Land Claims for PGE's

### Event

Midland announced that it has acquired new land claims in the Labrador Trough, Northern Québec.

**Impact: Slightly positive.** Labrador Trough land claims add diversification to their portfolio of properties, for a limited cost. Supports their strategy of inexpensive land claim acquisitions and fits their business model of prospector-generator and eventual partnerships.

### Analysis

- **On July 9, 2013 Midland announced that has acquired 455 new land claims over +200km<sup>2</sup> in the Labrador Trough, west of Kuujuaq, Québec.** Acquisition costs are estimated to be in the \$50,000 range, as these are new mapped claims. Note that this follows on their May 17, 2013 acquisition of 29 claims (in 2 blocks) from Arianne Resources (DAN-V, not rated) located near their Maritime-Cadillac project, a 50/50 JV with Agnico-Eagle Mines (AEM-T, not rated).
- **The Labrador Trough region could be prospective for Platinum Group Metals (PGE's), as many mineralization horizons have been traced historically.** Properties acquired by Midland include 9 PGE + Au showings which have been logged by the government's database. We believe that these showings merit more exploration work. We believe exploration potential is very good for this early stage project in the Labrador Trough and is a well thought out opportunity in light perhaps of eventual tightness of supply from South Africa. This new strategic land position is the latest addition to Midland's growing portfolio of diverse commodity projects.
- **We would expect them to pursue a partner for this project, as is their strategy.** Midland typically applies the prospector-generator model and seeks to acquire the land claims themselves. We highlight a recent option deal between Impala Platinum Holdings Ltd (important African PGE producer) and Northern Shield Resources (NRN-V) in the sector.
- **We are maintaining our Speculative Buy rating and our \$1.65 target price.** Midland is expected to remain active in exploration in 2013 and maintains sufficient funds to do so (~\$4.5M in cash).

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