



Midland Exploration Inc. (MD-V)

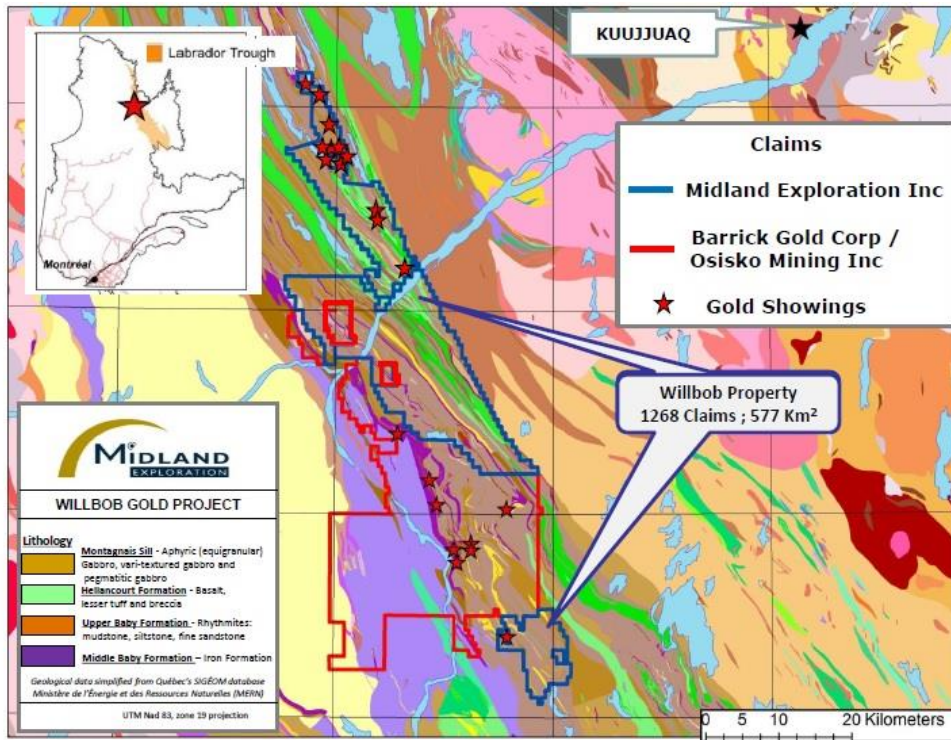
Midland Increases Strategic Land Position for Gold in Labrador Trough

Event: Midland (“MD”) announced prospecting and first drilling results as well as the acquisition of considerable new claims in the Labrador Trough, Northern Québec, expanding the Willbob project.

Impact: *Allez! Assez Positif.* District scale land positioning for gold adds again diversification and strength to MD’s portfolio of properties for a limited cost (<\$150,000).

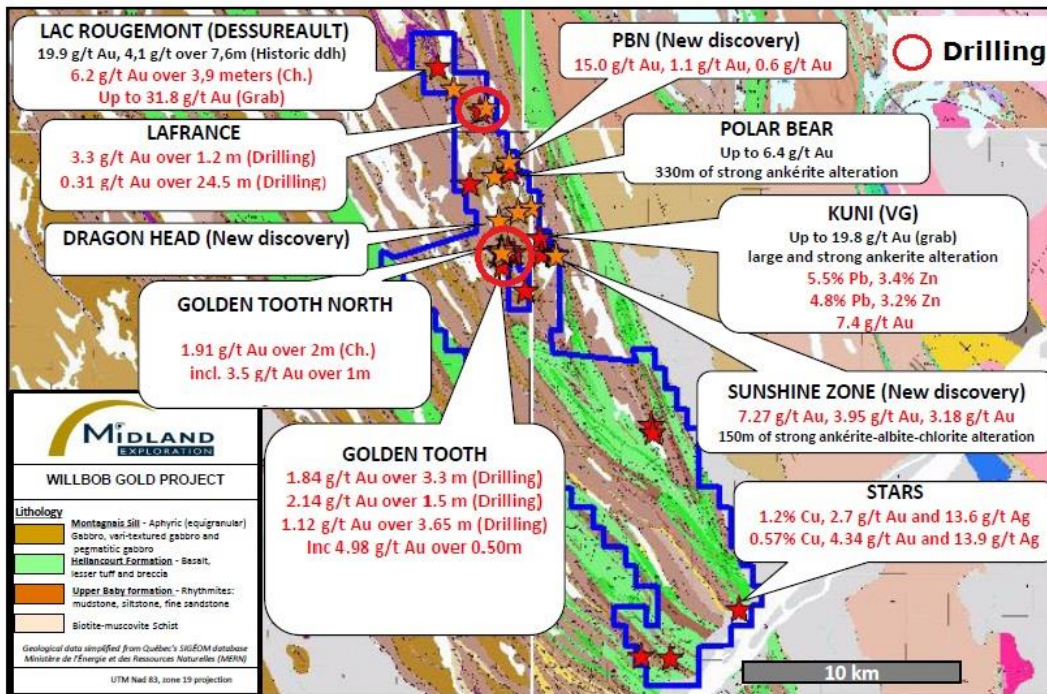
- **On January 18, 2017 MD disclosed that it had acquired 945 new land claims covering over 43,000ha increasing substantially its land position on the Willbob property in the Labrador Trough, Québec.** MD now controls 1,268 mining claims covering a surface area of about 57,700ha, ~70km west of the town of Kuujuaq (see Exhibits 1 and 2). The Willbob property nearly surrounds the Kan project of Osisko Mining Inc. (OSK-T) where OSK recently disclosed (January 10, 2017) an earn-in agreement with Barrick Gold Corp. (ABX-T). Note that ABX must commit \$15M in work expenditures over a 4-year period to earn a 70% interest on the Kan project. This is the return of Barrick in Québec! Also, I highlight that following the October 5, 2016 earn-in agreement transaction with Osisko Mining Inc. (OR-T), where OSK may earn a 100% interest in OR’ interest in the 28 James Bay area and Labrador Trough exploration properties, OR retains an escalating 1.5% to 3.5% NSR royalty on precious metals.
- **MD also reported rather weak results from its first diamond drilling campaign on the Willbob gold project.** Results from 8 holes (1,299m) were had average grade x thickness metric of 3.06 g/t Au x meter on the Lafrance and Golden Tooth showings. However, I highlight that this was a first MD drilling program in area that has multiple targets. 2 sections of 2 drill holes each were completed and MD provided initial cross-sections that permit to visualize that gold was intercepted directly below the surface showings and that other zones are present lower along core hole (see Exhibit 3). MD also reported results from the Fall 2016 prospecting program. Prospecting work carried out in 2016 has yielded, with grab samples, gold values reaching up to 25.2 g/t Au and 21.9 g/t Au on Golden Tooth and Lafrance showings. Indeed, with over ~15 other showings (Golden Tooth North (GTN), Dragon Head, Stars, Kuni, Polar Bear, Sunshine, Lac Rougemont, PBN, VQ Diorite, East Dupuis, Showing 31, Tip Zone, Y Zone, Terrier, Salmon Tail, Lafrance East); there is much pujuq (smoke) and excellent possibilities for discoveries. I believe more work is warranted and also highlight the addition of Sylvain Trépanier as Senior Research Geologist, who was apparently one of the instigators of the Kan project. Recall that MD had assembled this initial strategic land positioning in October, 2014. MD should resume exploration efforts in late spring 2017, with mapping, prospecting, channel sampling, as well as a 5,000m diamond drilling program. MD may also complete an electromagnetic survey in the upcoming weeks.
- **This increased strategic land position for Willbob is the latest addition to MD’s growing portfolio of diverse commodity projects.** I expect MD to generate more new partnerships and derive an overall sum of the parts NAV of \$___ see Exhibit 4). Also highlight that MD is partnered with OSK in the James Bay area.

Exhibit 1 : Location of Midland's Willbob Project



Source: modified from Midland Exploration Inc.

Exhibit 2 : Willbob showings and area of initial drilling



Source: modified from Midland Exploration Inc.

Exhibit 3 : Geological cross-sections on Willbob Lafrance and Golden Tooth showings

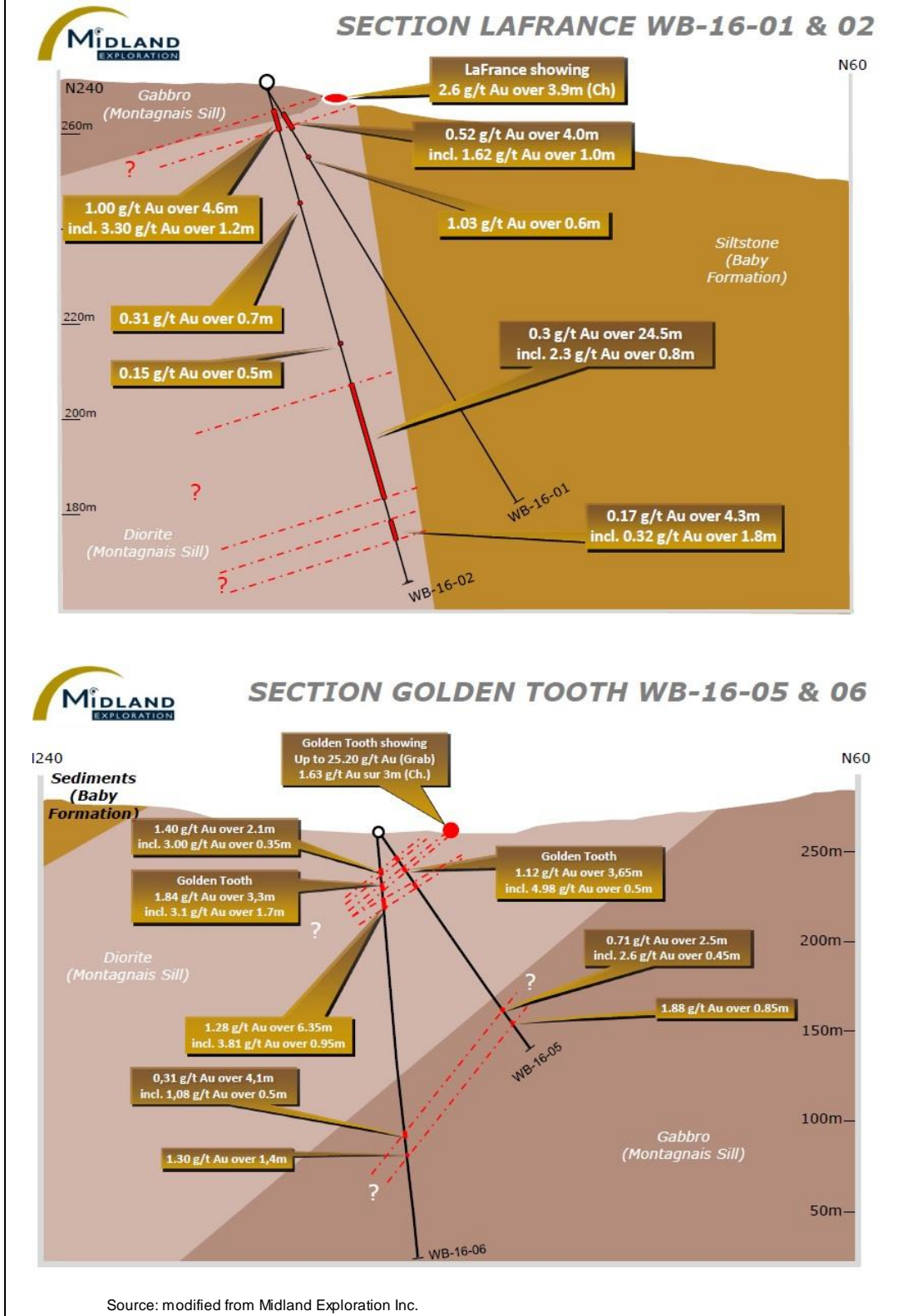


Exhibit 4 - Midland's NAV Summary

| Project | Value (M) | Project | Value (M) |
|------------------------------------|------------------|--------------------------------------|------------------|
| Abitibi | | James Bay | |
| Abitibi (gold projects) | \$0.9 | James Bay East (Au) | \$4.8 |
| Heva | \$5.4 | Midland Eleonore Centre | \$6.6 |
| Patris Ext. (Teck earning 50%) | \$8.2 | James Bay (uranium) | \$0.3 |
| Maritime-Cadillac JV (49%) (AEM) | \$10.3 | James Bay (various) | \$0.8 |
| | | Baie James JV (50%) (OSK) | \$6.8 |
| Lafamme (64.9%) (ABI-V) | \$9.7 | | |
| | | Grenville- Appalaches | |
| Detour - Casa Berardi Trend | | Gatineau | \$2.7 |
| Casault JV (50%) (SOQUEM) | \$6.4 | Vermillion (47.5%) (SOQUEM) | \$0.9 |
| Samson | \$1.3 | | |
| Valmond | \$3.8 | Weedon | \$1.5 |
| Jouvex JV (50%) (SOQUEM) | \$1.8 | | |
| Adam-Mistaouac | \$4.5 | Québec-Labrador | |
| La Peltrie Ext. | \$5.7 | Ytterby (50%) (JOGMEC) | \$3.9 |
| | | Kuujuak (Pallas) (50%) (JOGMEC) | \$3.6 |
| Turgeon | \$2.4 | Willbob | \$6.4 |
| | | | |
| | | Other | |
| | | Other properties | \$1.9 |
| Exploration potential goodwill | | Total NAV | |
| Cash & Investments | | Shares outstanding (FD) | 79.7 |
| Take-over premium | | Total NAV per share (FD) | |
| | | 0.85X NAV | |
| | | Please contact me for numbers | |

Source: EBL Consultants enr.

Important Disclosures

| Company | Ticker | Disclosures* |
|--------------------------|--------|--------------|
| Midland Exploration Inc. | MD-V | C, V, P |

* Legend

- A The Mining Analyst, in his own account or in a family related account, owns securities in excess of 1,000 shares of the issued and outstanding equity securities of this issuer.
- B The Mining Analyst, in his own account or in a family related account, owns securities in excess of 10,000 shares of the issued and outstanding equity securities of this issuer.
- C The Mining Analyst, in his own account or in a family related account, owns securities in excess of 30,000 shares of the issued and outstanding equity securities of this issuer.
- D The Mining Analyst, in his own account or in a family related account, owns securities in excess of 50,000 shares of the issued and outstanding equity securities of this issuer.
- E The Mining Analyst, in his own account or in a family related account, owns securities in excess of 100,000 shares of the issued and outstanding equity securities of this issuer.
- F The Mining Analyst, in his own account or in a family related account, owns securities in excess of 250,000 shares of the issued and outstanding equity securities of this issuer.
- V The Mining Analyst has visited material operations of this issuer, namely company headquarters and key projects.
- P This issuer paid a portion of the travel-related expenses incurred by the Mining Analyst to visit material operations of this issuer.
- Q This issuer has directly paid the Mining Analyst.
- R This issuer has indirectly paid the Mining Analyst.

Mining Analyst Certification

I, Éric Lemieux, Mining Analyst, hereby certify that the comments and opinions expressed in this report accurately reflect my personal views about the subject and the issuer.

I determine and have final say over which companies are included in my research and do not have direct or indirect remuneration unless disclosed.

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