

# **Midland Exploration Inc.**

Management's Discussion and Analysis

Six months ended March 31, 2015

# Midland Exploration Inc.

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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 Q1-15. This MD&A should be read in conjunction with the Corporation’s financial statements as at March 31, 2015 prepared in accordance with the International Financial Reporting Standards (“IFRS”) and with the annual MD&A as of September 30, 2014. All figures are in Canadian dollars unless otherwise noted.

The following abbreviations are used to describe the periods under review throughout this MD&A:

<b>Abbreviation</b>	<b>Period</b>
Q1-13	October 1, 2012 to December 31, 2012
Q2-13	January 1, 2013 to March 31, 2013
Q3-13	April 30, 2013 to June 30, 2013
Q4-13	July 1, 2013 to September 30, 2013
Fiscal 13	October 1, 2012 to September 30, 2013
Q1-14	October 1, 2013 to December 31, 2013
Q2-14	January 1, 2014 to March 31, 2014
Q2-14 AAD	October 1, 2013 to March 31, 2014
Q3-14	April 30, 2014 to June 30, 2014
Q4-14	July 1, 2014 to September 30, 2014
Fiscal 14	October 1, 2013 to September 30, 2014
Q1-15	October 1, 2014 to December 31, 2014
Q2-15	January 1, 2015 to March 31, 2015
Q2-15 AAD	October 1, 2014 to March 31, 2015
Q3-15	April 30, 2015 to June 30, 2015
Q4-15	July 1, 2015 to September 30, 2015
Fiscal 15	October 1, 2014 to September 30, 2015

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](http://www.sedar.com).

**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.

**Overall performance**

In May 4, and 12, 2015, the Corporation completed a private placement of 20,622,569 units at a price of \$0.70 per unit for total gross proceeds of \$14,435,798. Also, in December 2014, the Corporation completed private placements by issuing 1,263,288 units at \$0.70 per unit and 1,066,683 flow-through shares at \$0.85 per share, for total gross proceeds of \$1,790,982. Considering its working capital of \$4,074,639 as at March 31, 2015 and completion of the May 2015 private placement, the Corporation will be able to continue its exploration program for at least the next three years.

On October 10, 2014, Midland signed an option agreement with SOQUEM INC. (“SOQUEM”) whereby SOQUEM has the option to acquire a 50% interest in the Casault and Jouvex properties by funding \$4,500,000 in exploration works. In addition, Midland signed on December 12, 2014 an option agreement with Sphinx Resources Ltd. (“Sphinx”) whereby Sphinx has to option to acquire a 50% interest in the Adam property by funding \$3,000,000 in exploration works and paying cash \$250,000.

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**Overall performance** (Cont'd)

As operator, Midland incurred exploration expenditures totalling \$2,840,256 (\$1,078,876 in Q2-14 YTD), on its properties of which \$2,524,788 was recharged to its partners (\$695,146 in Q2-14 YTD). The operating partners completed \$634,828 of exploration expenses in Q2-15 (\$73,814 in Q2-14 YTD). Also, the Corporation invested \$151,668 (\$73,814 in Q2-14 YTD) to complete several property acquisitions in Quebec of which \$73,738 was recharged to its partners (\$68,057 in Q2-14 YTD).

The Corporation reported a loss of \$288,374 in Q2-15 YTD compared to \$435,491 in Q2-14 YTD.

**Results of operations**

Operating expenses at \$567,007 in Q2-15 YTD were slightly lower than the \$599,088 in Q2-14 YTD.

Project management fees increased to \$194,345 (\$71,320 in Q2-14 YTD) due to the Samson and Adam properties under option with Sphinx, the Pallas PGE property under option with JOGMEC and the Casault Jouvex projects under option with SOQUEM being very active in Q2-15. In Q2-14, the Valmond project under option with Sphinx was very active.

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**Investing activities**

	Abitibi										Grenville-Appalaches	James Bay				Quebec Labrador	Northern Québec					
	Maritime cadillac - au	Lafamme - au	Patris - au	Casault - au	Valmond - au	Jouvex - au	Heva - au	Abitibi au	Adam - Cu Au	Samson - au	Weedon - cu-zn-au-	Gatineau - zn	Baie-james - au	Baie-james - u	Eléonore - au	Baie-james - fe	Ytterby - etr	Pallas - pge	Willbob - au	Génération de projets	Total	
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	
<b>Balance beginning</b>	232,965	1,310,514	208,755	290,082	123,955	346,090	18,563	36,641	-	-	388,013	28,766	216,677	14,686	1,175,139	42,158	109,090	216,088	5,116	39,547	4,802,845	
Geophysics	-	24,500	-	133,707	-	62,444	-	58,379	152,750	117,196	97,870	-	-	-	29,910	-	-	-	-	-	-	676,756
Geology	-	11,037	4,700	34,639	3,700	14,877	-	10,158	3,320	56,428	10,440	66	11,035	-	27,024	-	775	107,101	16,955	3,792	316,047	
Drilling	-	-	5,091	778,841	66,107	277,637	-	-	-	212,287	-	-	-	-	-	-	-	307,100	-	-	-	1,647,063
Geochemistry	-	-	-	7,824	1,063	3,374	-	-	-	244	-	-	-	-	-	-	-	36,577	671	-	-	49,753
Line cutting	-	5,460	-	47,502	-	26,430	-	-	-	49,530	-	-	-	-	-	-	-	-	-	-	-	128,922
Travelling	-	-	350	6,011	2,018	8,256	-	-	-	2,852	458	-	-	-	-	-	-	1,770	-	-	-	21,715
Stock-based compensation	-	40,997	10,141	1,008,524	72,888	393,018	-	68,537	156,070	438,537	108,768	66	11,035	-	56,934	-	775	452,548	17,626	3,792	2,840,256	
Recharge	-	-	7,607	-	5,325	-	-	-	-	-	-	-	-	-	4,564	-	-	1,522	-	-	-	19,018
	-	-	(10,141)	(1,003,143)	(72,888)	(391,498)	-	-	(156,070)	(438,537)	-	-	-	-	-	-	(388)	(452,123)	-	-	-	(2,524,788)
<b>Net addition</b>	-	40,997	7,607	5,381	5,325	1,520	-	68,537	-	-	108,768	66	11,035	-	61,498	-	387	1,947	17,626	3,792	334,486	
Tax credits	-	(3,262)	-	-	-	-	-	(2,356)	-	-	(12,502)	-	(3,449)	-	(9,470)	-	-	(156)	(5,213)	-	-	(36,408)
Option payment	-	-	-	-	(10,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,000)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net change</b>	-	37,735	7,607	5,381	(4,675)	1,520	-	66,181	-	-	96,266	66	7,586	-	52,028	-	387	1,791	12,413	3,792	288,078	
<b>Balance end</b>	232,965	1,348,249	216,362	295,463	119,280	347,610	18,563	102,822	-	-	484,279	28,832	224,263	14,686	1,227,167	42,158	109,477	217,879	17,529	43,339	5,090,923	

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**Investing activities (Cont'd)**

	Abitibi							Grenville-Appalaches		Bay James				Québec Labrador			
	Maritime Cadillac - Au	Lafamme - Au	Patris - Au	Casault - Au	Valmond - Au	Jouvex - Au	Heva - Au	Weedon - Cu-Zn-Au-	Gatineau - Zn	Bay-James - Au	Bay-James - U	Eléonore - Au	Baie-James - Fe	Ytterby - ETR	Pallas PGE	Project generation	Total
Deferred exploration expenses Q2-14 AAD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance beginning</b>	228,787	1,167,804	179,176	214,479	113,507	237,576	16,149	359,196	28,648	162,521	14,686	949,831	42,158	1,277,720	210,168	36,125	5,238,531
Geophysics	-	-	-	-	256,548	26,645	-	19,337	-	-	-	13,500	-	122	162,784	-	478,936
Geology	760	11,380	46,649	15,731	47,122	9,120	760	4,860	66	18,512	-	65,991	-	31,427	120,299	8,424	381,101
Drilling	-	108,433	1,418	-	29,113	-	-	-	-	-	-	-	-	-	-	-	138,964
Geochemistry	-	7,516	9,171	4,876	722	-	-	-	-	184	-	4	-	6,825	2,467	-	31,765
Line cutting	-	-	-	-	31,452	13,268	-	-	-	-	-	-	-	-	-	-	44,720
Travelling	-	2,790	297	-	290	-	-	-	-	-	-	-	-	-	13	-	3,390
Stock-based compensation	760	130,119	57,535	20,607	365,247	49,033	760	24,197	66	18,696	-	79,495	-	38,374	285,563	8,424	1,078,876
Recharge	2,682	3,226	7,309	5,384	5,116	-	-	-	-	-	-	5,192	-	9,528	1,462	-	39,899
	-	-	(51,725)	-	(361,447)	-	-	-	-	-	-	-	-	(13,635)	(268,339)	-	(695,146)
<b>Net addition</b>	<b>3,442</b>	<b>133,345</b>	<b>13,119</b>	<b>25,991</b>	<b>8,916</b>	<b>49,033</b>	<b>760</b>	<b>24,197</b>	<b>66</b>	<b>18,696</b>	<b>-</b>	<b>84,687</b>	<b>-</b>	<b>34,267</b>	<b>18,686</b>	<b>8,424</b>	<b>423,629</b>
Tax credits	-	(999)	(2,715)	(2,877)	(1,528)	(2,566)	(306)	(5,174)	(14)	(2,848)	-	(15,696)	-	(3,212)	(7,519)	(2,396)	(47,850)
Option payment	-	-	-	-	(10,190)	-	-	-	-	-	-	-	-	-	-	-	(10,190)
Write-off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net change</b>	<b>3,442</b>	<b>132,346</b>	<b>10,404</b>	<b>23,114</b>	<b>(2,802)</b>	<b>46,467</b>	<b>454</b>	<b>19,023</b>	<b>52</b>	<b>15,848</b>	<b>-</b>	<b>68,991</b>	<b>-</b>	<b>31,055</b>	<b>11,167</b>	<b>6,028</b>	<b>365,589</b>
<b>Balance end</b>	<b>232,229</b>	<b>1,300,150</b>	<b>189,580</b>	<b>237,593</b>	<b>110,705</b>	<b>284,043</b>	<b>16,603</b>	<b>378,219</b>	<b>28,700</b>	<b>178,369</b>	<b>14,686</b>	<b>1,018,822</b>	<b>42,158</b>	<b>1,308,775</b>	<b>221,335</b>	<b>42,153</b>	<b>5,604,120</b>

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<b>Exploration and evaluation expenses</b>	<b>Actual Q1-14 YTD</b>			<b>Actual Q1-15 YTD</b>			<b>Budget Fiscal 2015</b>		
	<b>Midland</b>	<b>Partner</b>	<b>Total</b>	<b>Midland</b>	<b>Partner</b>	<b>Total</b>	<b>Midland</b>	<b>Partner</b>	<b>Total</b>
<b>Properties</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>100% owned by Midland</b>									
Valmond Au	-	-	-	-	-	-	-	-	-
Jouvex Au	49,033	-	49,033	-	-	-	-	-	-
Abitibi Au	2,824	-	2,824	68,537	-	68,537	69,000	-	69,000
Heva	760	-	760	-	-	-	25,000	-	25,000
Casault Au	20,607	-	20,607	-	-	-	-	-	-
La Peltrie	-	-	-	-	-	-	200,000	-	200,000
Weedon Cu-Zn-Au	24,197	-	24,197	108,768	-	108,768	80,000	-	80,000
Gatineau Zn	66	-	66	66	-	66	20,000	-	20,000
Baie James Au	18,696	-	18,696	11,035	-	11,035	56,000	-	56,000
Baie James U	-	-	-	-	-	-	10,000	-	10,000
Baie James Fe	-	-	-	-	-	-	10,000	-	10,000
Éléonore Au	79,495	-	79,495	56,934	-	56,934	311,000	-	311,000
Willbob	-	-	-	17,626	-	17,626	61,000	-	61,000
Project generation	5,600	-	5,600	3,792	-	3,792	83,000	-	83,000
	<u>201,278</u>	<u>-</u>	<u>201,278</u>	<u>266,758</u>	<u>-</u>	<u>266,758</u>	<u>925,000</u>	<u>-</u>	<u>925,000</u>
<b>With option, 100% owned and operated by Midland and paid by partner</b>									
Valmond Au - Sphinx	3,800	361,447	365,247	-	72,888	72,888	-	70,000	70,000
Pallas PGE Jogmec	17,224	268,339	285,563	-	452,548	452,548	-	500,000	500,000
Samson - Sphinx	-	-	-	-	438,537	438,537	-	500,000	500,000
Adam - Sphinx	-	-	-	-	156,070	156,070	-	-	-
Casault - Soquem	-	-	-	-	1,008,524	1,008,524	-	762,000	762,000
Jouvex - Soquem	-	-	-	-	393,018	393,018	-	238,000	238,000
	<u>21,024</u>	<u>629,786</u>	<u>650,810</u>	<u>-</u>	<u>2,521,585</u>	<u>2,521,585</u>	<u>-</u>	<u>2,070,000</u>	<u>2,070,000</u>
<b>With option, 100% owned by Midland, operated and paid by the partner</b>									
Patris Au – Teck	5,810	51,725	57,535	-	644,969	644,969	-	445,000	445,000
<b>In joint venture</b>									
Maritime-Cadillac-Agnico Eagle (operator) at 51%	760	3,619	4,379	-	-	-	25,000	25,000	50,000
Vermillon- Soquem at 52%	-	76,200	76,200	-	-	-	-	-	-
Ytterby REE-Jogmec at 50%	24,739	13,635	38,374	387	388	775	10,000	10,000	20,000
Laflamme Au – Maudore at 37.8%	130,119	-	130,119	40,997	-	40,997	195,000	-	195,000
	<u>155,618</u>	<u>93,454</u>	<u>249,072</u>	<u>41,384</u>	<u>388</u>	<u>41,772</u>	<u>230,000</u>	<u>35,000</u>	<u>265,000</u>
	<u>383,730</u>	<u>774,965</u>	<u>1,158,695</u>	<u>308,142</u>	<u>3,166,942</u>	<u>3,475,084</u>	<u>1,155,000</u>	<u>2,550,000</u>	<u>3,705,000</u>

**Investing activities** (Cont'd)

Gino Roger, geological engineer, president and director of Midland, qualified person under NI 43-101, has reviewed the following technical disclosure.

**HIGHLIGHTS**

- 1. Drilling programs completed on Patris, Casault, Jouvex and Samson ( 7,648.7 metres)**
- 2. Drilling program in preparation for Laflamme**
- 3. Wide alteration zone identified on Patris in hole PAT-15-05**
- 4. New altered and mineralized QP felsic intrusion identified on Casault**
- 5. New IP Orevision anomalies identified on Casault and Jouvex**
- 6. New IP survey completed on BJ Eleonore Centre**
- 7. New VTEM conductors identified on Adam and Jeremie**
- 8. Summer field programs in preparation for Pallas, Willbob and BJ Eleonore Centre**

**ABITIBI**

**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 break and is composed of 7 claims.

*Exploration work on the property*

Data compilation and integration continued during Q2-15 in the Lapa-Maritime Cadillac area by our partner Agnico Eagle Mines Limited ("Agnico Eagle"), in order to complete the construction of a 3D model. New exploration targets will be defined for 2015 along this segment of the Cadillac Break.

**Laflamme (Au-Ni-Cu-PGE)**, in partnership with Maudore Minerals Ltd. and operated by Midland

*Property Description*

In 2009, the Corporation staked claims by map staking about 25 kilometres west of Lebel-sur-Quévillon in the Abitibi region. The Laflamme property consists at the end of Fiscal 2014 of a total of 682 claims covering an area of approximately 35,942 hectares.

*Exploration work on the property*

In December 2014, Midland completed a grid and a ground-based electromagnetic survey in order to investigate a series of untested VTEM conductors located about 2 kilometres north of drill hole LA-11-08. The latter intersected a new zone with Ni-Cu-PGE mineralization along the contact with an ultramafic intrusion, which graded 0.66% Ni, 0.35% Cu, 0.17 ppm Pt and 0.16 ppm Pd over 8.0 metres, including a high-grade zone at 1.55% Ni, 0.53% Cu, 0.26 ppm Pt and 0.28 ppm Pd over 1.60 metres. The objective is to define priority targets to be tested in an initial drilling program estimated at about 2,000 metres that will follow the geophysical surveys. At quarter's end, a drilling program was in preparation in order to test the Max-Min conductors identified in the eastern part of the property as well as to test the TDEM-ARMIT conductor detected north of hole LA-11-08 within a strong magnetic feature. Drilling is expected to start during Q3-15.



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**Investing activities** (Cont'd)

***Patris (Au), in partnership with Teck and operated by Teck***

*Property Description*

The Corporation acquired claims by map staking about 30 kilometres to the north-east of Rouyn-Noranda. At the end of Fiscal 14, this property consists in 221 claims covering an area of approximately 9,154 hectares.

The Corporation signed an option agreement with Teck Resources Ltd. ("Teck") on September 6, 2013 and amended it on May 20, 2014 to accommodate the delays in permitting.

*Exploration work on the property*

During Q2-15, a diamond drilling program consisting in seven (7) holes totalling 1,298.0 metres was completed by Teck on the Patris property. These holes tested the best IP anomaly located along the Porcupine-Destor and the La Pause fault zones. One of these holes was extended in order to test 100 metres below hole PAT-11-15 which had returned 0.48 g/t Au over 17.0 metres.

Holes **PAT-15-01** and **PAT-15-02** tested the IP anomaly located just north of the Caste Lake sediments to the east of the Caste Lake. Both holes intersected mineralized mafic-ultramafic rocks and sediments that explained the IP responses.

**PAT-15-03** intersected altered (fuschite) alteration and local hematized dykes. Traces of VG were identified in a quartz-carbonate vein at about 29.9 metres. The hole got stuck in a fault zone and was abandoned at 56.0 metres.

**PAT-15-04** was re-collared and the casing was rimed through the fault zone. The hole intersected sediments with pyrite that can explain the IP anomaly.

**PAT-15-05** intersected approximately 100m of alteration and mineralization including but not limited to: 2 zones with 20+ m of quartz veining containing galena, chalcopyrite in the upper quartz vein and molybdenite, pyrite, chalcopyrite with trace arsenopyrite in the lower quartz vein. This zone has up to 10% sulphides. The wall rock is fuchsite altered ultramafic with quartz-dolomite veining, syenite dykes and narrow iron carbonate veins.

**PAT-15-06** (PAT-11-16EXT) was completed at a final depth of 369.0 metres. This hole intersected a strongly silicified and hematized zone with pyrite in the altered monzonite intrusion.

**PAT-15-07** (Target IP-E) was completed at a depth of 198.0 metres. This hole intersected basalts and ultramafic rocks cut by hematized and sericitized felsic dykes. Local possible potassic alteration was also noted. Local milky quartz veins with traces of pyrite were intersected in the felsic intrusion. A major fault zone was intersected at about 66.0 metres.

All assay results are pending and are expected during Q3-15.

***Casault (Au), in partnership with SOQUEM and operated by Midland***

*Property Description*

The Corporation acquired claims by map staking about 40 kilometres to the east of the Detour Lake gold project located north of the city of La Sarre. At the end of Fiscal 14, this property consists in 301 claims covering an area of approximately 16,562 hectares.

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**Investing activities (Cont'd)**

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, and to create a joint venture once the option has been exercised, under the following conditions:

	<u>Works</u>
	<u>\$</u>
On or before October 10, 2015 (firm commitment)	1,000,000
On or before October 10, 2016	1,000,000
On or before October 10, 2017	1,000,000
On or before October 10, 2018	1,500,000
	<u>4,500,000</u>

Midland will be project operator during the option period.

*Exploration work on the property*

During Q2-15, a drilling program consisting in seventeen (17) holes and totalling 3,467.2 metres was completed on Casault in partnership with SOQUEM. This program targeted the most promising gold occurrences discovered in 2012-2013. These areas include the north contact of the Turgeon pluton, where drill hole CAS-12-07 returned 10.4 g/t Au over 1.45 metres, as well as areas immediately north and west of the conglomerate basin with pyrite and jasper clasts identified in 2013. In the northern area, drill hole CAS-13-28A had been terminated in a gold-bearing zone grading 0.29 g/t Au over 9.0 metres. Two holes have also been completed to test IP anomalies on the central block.

Final and complete assay results have been received for holes CAS-13-30EXT, CAS-13-28AEXT, CAS-15-38, CAS-15-39, CAS-15-42 and CAS-15-43. The rest of the results are pending and are expected during Q3-15.

An IP-Orevison survey was also completed during the quarter (South Grid). This survey totalling 17.1 km identified several strong chargeability responses near the granodiorite contact. These anomalies correspond to the mineralized package (sediments and diorite intrusions) found between the Turgeon Pluton and the mafic volcanics. Two drillholes (CAS-15-47 and 48) were completed respectively on lines 13+00E and 2+00W to test this IP axis.

Another IP-Orevison survey was also completed in March on the North Grid. This grid totalled approximately 25 kilometres. The final interpretation is ongoing.

**CAS-13-30EXT** was completed at a final depth of 195.0 metres, for a deepening of 45.0 metres. This hole was drilled 250 metres west of hole CAS-12-07 and intersected over 10-15% Po-Py over 5.0 metres before ending in a granodiorite. Assays did not return any significant gold results with a maximum of 43 ppb Au over 0.60 m from 163.0 to 163.6 metres.

**CAS-13-28AEXT** was deepened from 202.2 to 300.0 metres. The mineralized (Py) and gold-bearing zone associated with a quartz-carbonate swarm in a gabbro in hole CAS-13-28AEXT was intersected for an additional 15-20 metres. The best mineralized zones were between 214.32 and 214.78 m (3-5% Py, loc.7%) and between 223.77 and 224.53 m (5-7% Py). The rest is mineralized with 1-3% Py. The best assay results returned 0.12 g/t Au over 0.50 metre from 216.7 to 217.2 m; 0.11 g/t Au over 0.50 metre from 217.7 to 218.2 m and 0.17 g/t Au over 0.76 metre from 223.77 to 224.53 m.

**CAS-15-38** (Target L; central block) was completed at 162.0 metres. After 25.1 m of casing, the hole intersected chloritized conglomerates with traces of pyrite-pyrrhotite. No significant result was obtained in this hole.

**Investing activities (Cont'd)**

**CAS-15-39** (Target M; central block) ended at a final depth of 165.0 metres. This hole targeted an IP anomaly at the southern edge of the conglomerates. From 68.5 to 106.35 m, the hole intersected chloritized tuffs locally mineralized with pyrite. From 106.35 to 124.8 metres, a sericitized conglomerate was intersected with local graphite. No significant assay result was obtained in this hole.

**CAS-15-40** (Target A; 100 m below hole CAS-12-07) finished at a depth of 405.0 metres. Several Py-Po zones were intersected within the MCZ diorite (mixed contact zone) between the granodiorite and the mafic volcanics. Assays are pending.

**CAS-15-41** (Target B; 100 m west of CAS-12-07) traversed 31.3 metres of overburden and intersected the granodiorite down to 97.5 metres. Following that, it intersected a mix of mudstones and granodiorite injections with locally pegmatite dykes down to 235.45 metres. The hole finished in the basalt at a depth of 297.0 metres. Several mineralized zones (Py-Po-+/- Cp) were intersected. Assays are pending.

**CAS-15-42** (Target C; 100 m east of CAS-12-07) was completed at 261.0 metres. This hole intersected several silicified and sericitized zones mineralized with Py-Po-Mo-Cpy within the MCZ diorite. From 203.45 to 210.0 metres, assays returned 0.22 g/t Au over 6.55 metres including 1.46 g/t Au over 0.85 metre and 0.47 g/t Au over 0.93 metre.

**CAS-15-43** (Target D; 300 metres east of 28AEXT) ended at 171.0 metres, Veins of quartz-carbonate-tourmaline were intersected at the beginning of the hole. The best assay result returned 0.22 g/t Au over 0.60 metre from 61.7 to 62.3 metres.

**CAS-15-44** (Target E; 600 metres east of 28AEXT) was completed at a final depth of 172.0 metres. Mineralized (py) felsic porphyry intrusions were intersected. This hole also intersected a silicified-sericitised and albitized alteration zone with fine pyrite. Assays are pending.

**CAS-15-45** (Target F; 600 metres east of 28AEXT) was completed at 167.4 metres. The hole intersected a mineralized (Py) felsic porphyry intrusion at 135.05 metres. The hole ended in basalt. Assays are pending.

**CAS-15-46** (Target G; 1.8 km east of 28AEXT) intersected blocky and lapillis tuffs weakly mineralized from 107.4 to 108.4 m. The hole ended at 204.0 metres. Assays are pending.

**CAS-15-47** (Target IP L13+00E) was completed at a final depth of 285.0 metres. After 33.2 metres of casing, the hole cut the granodiorite intrusion down to 85.9 metres. After that, the hole intersected graywackes cut by several granodioritic and pegmatitic dykes. The sediments are strongly silicified in general with local biotite-garnet enrichment. Several mineralized zones were intersected and assays are pending:

- 85.9 – 89.0 m            1% Po-Py
- 100.6 – 101.80 m       5% Vn qtz, Tr. Po-Py
- 157.0 – 167.55 m       1-2% Py-Po
- 168.1 -171.10 m       1-5% Py diss

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**Investing activities** (Cont'd)

**CAS-15-48** (Target IP L2+00W) ended at 300.0 metres and the IP anomaly is well explained by the presence of several well mineralized zones (Py-Po). The best mineralized zones can be summarized as follow and assays are pending:

- 93.30 - 93.95 m            20% Py-Po
- 95.35 - 95.70 m            17% Py-Po
- 164.7 – 165.45 m          10% Py
- 198.7 – 199.15 m          5% Py
- 206.1 – 206.45 m          10% Py

**CAS-15-49** (Target IP-I, 100 m west of CAS-13-36) did traverse 60.7 metres of overburden before intersecting a mafic volcanic rock containing up to 40% quartz veins with 1-3% Py from 60.7 to 64.25 metres. Following that, a mix of mafic volcanic and intermediate sericitized tuffs (2-3% Py) was intersected down to 70.40 metres. Between 70.4 and 126.2 metres, a crystal tuff (fp) mixed with altered (sericite-potassic and chlorite) mineralized with 1-2% Py QFP dykes was intersected. The hole then intersected pillowed basalt and finished in a gabbro at a depth of 186.0 metres. Assays are pending.

**CAS-15-50** (Target IP-H) was completed at a final depth of 174.0 metres. This hole intersected mafic volcanics and gabbros locally mineralized with traces to 1% pyrite. The volcanics are cut by several altered zones consisting in quartz-carbonate veinlets with up to 3% pyrite. Assays are pending.

**CAS-15-51** (Target IP-J) and **CAS-15-52** (Target IP-K) have been completed respectively to final depths of 219.0 and 156.0 metres. Both holes tested historical IP anomalies identified by Placer Dome in 1995. Both holes intersected mineralized conglomerates containing mineralized (Py) fragments and mineralized quartz veins (cm) mineralized in pyrite explaining well the IP anomalies. Assays are pending.

A meeting with SOQUEM is scheduled during Q3-15 in order to prepare the next phase of work on Casault that could include a drilling program to follow-up of the new QP intrusion intersected in hole 44 and on the new VTEM and IP anomalies.

***Heva (Au), operated by Midland***

*Property Description*

The Heva West block consists of 4 contiguous claims adjacent to the west of the Maritime-Cadillac property, currently a 50/50 joint venture between Midland and Agnico Eagle. The Heva East block is located about 4 kilometres to the southeast and consists of 25 contiguous claims largely covering sedimentary rocks of the Cadillac Group just north of the Piché Group.

*Exploration work on the property*

No exploration work conducted during Q2-15 YTD.

Midland is currently seeking a partner for this project.

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**Investing activities** (Cont'd)

**Valmond (Au), in partnership with Sphinx and operated by Midland**

*Property Description*

The Corporation acquired claims by map staking about 50 kilometres to the west of Matagami. This property consists in 111 claims covering an area of approximately 6,179 hectares.

On November 19, 2013, the Corporation signed an agreement with Sphinx whereby Sphinx can acquire 50% of the Valmond property.

*Exploration work on the property*

In December, Midland completed a 225 metres drill hole to test an induced polarization anomaly consisting of a chargeability high with no related drop in resistivity. This target is located in a structurally complex area marked by the intersection of several NW-SE and NE-SW-trending structures. No significant result was obtained.

No exploration work conducted during Q2-15.

**Jouvex (Au), in partnership with SOQUEM and operated by Midland**

*Property Description*

The Corporation acquired claims by map staking about 50 kilometres to the southwest of Matagami. This property consists in 297 claims covering an area of approximately 16,581 hectares. See the Casault section for the details on the agreement signed with SOQUEM.

*Exploration work on the property*

During Q2-15, a drilling program consisting in eight (8) holes and totalling 1,258.0 metres was completed on Jouvex in partnership with SOQUEM. This program targeted the best historical IP anomalies and a VTEM conductor identified during the last years. One hole (JOU-15-01) was also completed to test a very strong conductor located east of the historical intersection that returned 6.2 g/t Au over 1.52 metre. Moreover, three (3) holes were completed to test the best IP-Orevison anomalies identified during the 2015 survey.

Final and complete assay results have been received for holes JOU-15-01, JOU-15-02 and JOU-15-04. The rest of the results are pending and are expected during Q3-15.

The IP Orevison survey on Jouvex totalling about 35 km was completed during Q2-15. Several new anomalies have been identified in the regional magnetic low. Following the interpretation of the survey, three (3) drilling targets were added namely H-I-J.

**JOU-15-01** (Target A) was completed at a final depth of 171.0 metres. This hole targeted a very strong conductor associated with a high chargeability IP anomaly. The hole intersected a graphitic mudstone with 5-10% Py from 82.0 to 82.45 m followed by a massive sulphide (Po) horizon from 82.45 to 83.45 metres, explaining the conductor. A second zone with graphite was intersected from 90.0 to 93.2 metres. This hole also cut a large alteration zone (quartz-carbonate) mineralized with up to 2-5% Py from 83.45 m to 90.0 metres and between 93.2 and 133.0 metres. Analyses were received and the best result returned 0.19 g/t Au over 1.0 metre from 74.0 to 75.0 metres.

**JOU-15-02** (Target B) was completed at 140.0 metres. This hole cut a few bans of semi to massive pyrite within intermediate tuffs. A graphitic mudstone with 3% Py was cut between 101.0 and 106.0 metres. From 41.26 to 42.66 m, an interval with semi-massive pyrite returned 0.43 g/t Au over 1.4 metres.

**JOU-15-03** (Target C) was abandoned in the overburden at a depth of 86.0 metres because of a broke casing.

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**Investing activities** (Cont'd)

**JOU-15-04** (Target D) tested an IP anomaly and intersected 1-5% Py nodules within a conglomerate unit between 90.0 and 100.0 metres. The hole ended at 159.0 metres. No significant assay result was obtained in this hole.

**JOU-15-05** (Target J) was completed at a final depth of 195.0 metres. After 38.0 metres of overburden, the hole intersected a graywackes-mudstone sequence with local graphite beds down to 146.8 metres. Locally, 3-5% Py was intersected over 1.0 metre. Assays are pending.

**JOU-15-06** (Target I) was completed at a depth of 174.0 metres. This hole intersected several units of hematite-jasper iron formations with local magnetite and a low sulphide content. Some strongly portions with a strong sericite alteration were intersected. Assays are pending.

**JOU-15-07** (Target H) was completed at a final depth of 186.0 metres. After 12.3 metres of casing, the hole intersected a mix of mudstones-graywackes and banded hematite iron formations containing some jasper and magnetite. The mudstones show locally quartz-carbonate veins stockwork with traces of pyrite. Assays are pending.

**JOU-15-08** (Target G) was designed to test a VTEM conductor which has been explained by the presence of a pyritic mudstone over 3 metres. The hole ended at 147.0 metres. Assays are pending.

***Samson Ni-Cu-PGE in partnership with Sphinx and operated by Midland***

*Property Description*

The Corporation acquired claims by map staking 512 claims covering a surface area of about 28,427 hectares about 50 kilometres west of the town of Matagami, in Abitibi, Quebec.

On September 3, 2014, the Corporation signed an agreement with Sphinx whereby Sphinx can acquire 50% of the Samson property.

*Exploration work on the property*

During December 2014, a major ground-based geophysical program totalling about 60 kilometres and including magnetic and ground electromagnetic surveys was completed in an effort to characterize a series of untested MegaTEM conductors coinciding with strong magnetic responses. About a dozen high-priority MegaTEM targets were selected for this ground follow-up, due to their association with strongly magnetic units interpreted as ultramafic rocks. Following the TDEM-ARMIT survey conducted over the best MegaTEM conductors, six conductors were selected for drilling.

During Q2-15, six (6) diamond drill holes totalling 1,625.5 metres were completed on Samson to test the selected TDEM-ARMIT conductors. All complete and final assay results are pending and will be received during Q3-15.

**SAM-15-01** (Target 14-01) ended at a final depth of 252.0 metres within a pyroxenite unit. After 56.0 metres of casing, a contact between a gabbro/diorite a pyroxenite was intersected at 212.0 metres. However, there was no clear evidence a conductor except maybe a fault zone at about 154.0 metres. The BHEM survey did not detect any anomaly.

**SAM-15-02** (Target 14-01a2) was completed at a depth of 225.0 metres. The hole intersected a gabbroic intrusion down to 225.0 metres after 49.5 metres of casing. No clear explanation for the conductor, possible overburden anomaly. The BHEM survey did not detect any anomaly.

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**Investing activities** (Cont'd)

**SAM-15-03** (Target 14-01b3) was also completed at a depth of 225.0 metres. A granitic intrusion with several fault zones was intersected. These fault zones could possibly explain the conductor. The BHEM survey did not detect any anomaly.

**SAM-15-04** (Target 14-01c4) has been completed to a final depth of 250.5 metres after having traversed 126.0 metres of overburden. A major fault zone was intersected between 143.0 and 145.0 metres. Between 147.0 and 153.0 metres, a mineralized zone consisting of mineralized quartz veins with some tourmaline and 1-2% pyrite was intersected. The BHEM did not detect any anomaly.

**SAM-15-05** (Target 14-04a) ended at a final depth of 177.0 metres. This hole intersected graphitic mudstones between 144.0 and 151.0 metres. Also, an horizon of cherty sediment containing some minor pyrite was intersected from 119.0 to 122.0 metres and again from 126.0 to 128.0 metres. The BHEM did not detect any anomaly.

**SAM-15-06** (Target 14-04) was completed at a final depth of 381.0 metres within an intermediate dyke. From 324.0 to 377.0 metres, an ultramafic unit locally altered with talc was intersected. Traces of sulphides (Py-Po, pentlandite?) were noted throughout the unit. The southern contact of this unit has not been reached. The BHEM survey (Z component) identified a weak off-hole anomaly at the end of the hole. The X and Y probes were also surveyed but the response is very weak and insufficient to be able to locate the anomaly.

***La Peltrie, operated by Midland***

*Property Description*

At the end of Fiscal 14, the La Peltrie property comprises 171 claims covering a surface area of about 9,493 hectares and encompasses possible subsidiary faults to the south of the regional Lower Detour Fault over a distance of more than 10 kilometres.

*Exploration work on the property*

No exploration work conducted during Q2-15 YTD. However, Midland plans to conduct ground geophysics including IP and TDEM in order to cover a series of historical untested MegaTEM conductors.

Midland is currently seeking for a partner for this project.

***Adam (Cu-Au), in partnership with Sphinx and operated by Midland***

*Property Description*

The Adam property was acquired by map designation and is a property with 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.

The Adam property is wholly owned by Midland and is located about 65 kilometres west of the town of Matagami. It consists of 182 cells covering a surface area of about 100 square kilometres in the Abitibi region of Quebec. The B26 and East Zone gold-copper deposits, held and worked actively by SOQUEM, respectively host historical resources on the order of 600,000 metric tonnes grading 2.9 g/t Au and 2.8% Cu and 750,000 metric tonnes grading 2.0% Cu and 0.4 g/t Au (Source: SOQUEM website; historical resources non-compliant with NI 43-101). In addition, drill holes completed in 2012 by Excellon Resources Inc. ("Excellon") on the Beschefer property (B-14 zone) located less than 7 kilometres west of the Adam property, intersected high-grade gold intervals reaching 13.07 g/t Au over 8.75 metres, including 58.5 g/t Au over 1.50 metre (Source: press release by Excellon dated April 17, 2012).

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**Investing activities (Cont'd)**

This new acquisition with strong gold and copper potential covers, over more than 8 kilometres, the regional contact between tholeiitic volcanic rocks of the Enjalran Group and calc-alkaline volcanic rocks of the Brouillan Group as well as an assemblage of felsic volcanoclastic rocks. The B26 zone is hosted in felsic to mafic volcanoclastic rocks with iron carbonate, chlorite, sericite, and silica alteration. In the south part of the Adam property lies another favourable contact, between volcanic rocks of the Enjalran Group and wackes, mudrocks, and iron formations of the Taibi sedimentary Group. A gold showing is located less than 5 kilometres west of the Adam property, where a historical drill hole yielded grades reaching 19.9 g/t Au over 0.77 metre (Source: SIGEOM map sheet 32E10, GM56241).

On the Adam property, historical INPUT electromagnetic surveys identified several conductors that have never been drill-tested, located near the felsic volcanic units identified near the favourable regional contact between the Enjalran and Brouillan groups.

On December 12, 2014, the Corporation signed an agreement with Sphinx whereby Sphinx can acquire 50% of the Adam property subject to the following conditions:

	<b>Payments in cash</b>	<b>Work</b>
	\$	\$
Upon signing (completed)	20,000	-
On or before December 12, 2015	40,000	400,000
On or before December 12, 2016	50,000	400,000
On or before December 12, 2017	70,000	1,000,000
On or before December 12, 2018	70,000	1,200,000
<b>Total</b>	<b>250,000</b>	<b>3,000,000</b>

The Corporation will be the operator during the option.

*Exploration work on the property*

A helicopter-borne VTEM electromagnetic survey totalling about 800 line-kilometres was completed in December 2014 to cover the entire property. Several new conductors have been identified near the favorable contact between the Enjalran and Brouillan Groups. A detailed compilation is in progress.

***Abitibi Gold (Au) operated by Midland***

*Property Description and exploration work on the property*

The Corporation acquired by map designation 302 claims covering a surface area of about 16,460 hectares. No exploration work was conducted during Fiscal 14. A compilation of the historical works is in progress on the Adam, Jeremie, Lac Clement, Manthet, Louvicourt and Duparquet claims blocks.

*Exploration work on the property*

Compilation of historical data is in progress for the Abitibi Gold project. A VTEM survey totalling approximately 225 line-kilometres was completed during Q1-15 on the Jeremie block. The final interpretation highlighted several new conductors associated with strong magnetic anomalies. A detailed compilation is in progress.

**GRENVILLE-APPALACHES**

***Weedon (Cu-Zn-Au) operated by Midland***

*Property Description*

This property is located in the Eastern Townships, about 120 km south of Quebec City and at the end of Fiscal14 is comprised of 168 claims covering an approximate area of 8,602 hectares.



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**Investing activities** (Cont'd)

*Exploration work on the property*

A ground TDEM survey was completed during Q1-15 on Weedon in areas where previous gravimetric and IP surveys had identified interesting anomalies and several conductors have been detected.

Midland is currently seeking for a partner for this project.

**Gatineau Zinc (Zn)**, operated by Midland

*Property Description*

Midland owns a 100% interest in a large land position for zinc, including at the end of Fiscal 15 184 claims covering 10,368 hectares distributed in the Gatineau Area, approximately 200 kilometres northwest of the city of Montreal.

*Exploration work on the property*

No work conducted during Q2-15 YTD on the property.

Midland is currently seeking for a partner for this project

**Vermillon (Cu-Au)**, in partnership with SOQUEM and operated by SOQUEM

*Property Description*

The Vermillon property is located some 90 km southwest of the town of La Tuque, Quebec and consists at the end of Fiscal 14 of 16 contiguous claims covering a total surface area of 934 hectares in joint venture 50/50 with SOQUEM.

*Exploration work on the property*

No work conducted during Q2-15 YTD on the property.

**JAMES BAY**

**James Bay Gold (Au)**, operated by Midland

*Property Description*

Midland owns a 100% interest on 511 claims at the end of Fiscal 14 covering 26,285 hectares in the James Bay Area, an area that has the potential to soon become a significant new gold producer in Quebec after the Abitibi Belt. These new claims totalling 589 km<sup>2</sup> are wholly owned by Midland.

*Exploration work on the property*

No work conducted on the property during Q2-15 YTD.

Midland is currently seeking for a partner for this project.

**James Bay Uranium (U)** operated by Midland

*Property Description*

The property is located in the James Bay region and is composed of 8 claims.

*Exploration work on the property*

No work conducted on the property during Q2-15 YTD.

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**Investing activities (Cont'd)**

***Éléonore Gold Properties (Au) operated by Midland***

*Property Description*

The Éléonore new property is divided in three distinct blocks with two of them within 25 kilometres from the Éléonore gold discovery of Goldcorp and one southeast 30 km further along strike. It encompasses a group of 246 claims covering an area of approximately 12,889 hectares at the end of Fiscal 14.

*Exploration work on the property*

A 31.5 kilometres ground geophysical IP and magnetic ("Mag") survey was completed in the eastern part of the Éléonore Centre property. This survey completes and extends the 2013 survey where several gold showings were uncovered by Midland (Golden Gun and Golden Gun South showings). The final data of the survey is pending. The 31.5 kilometres IP-Mag survey focussed on identifying sulphide rich targets for further follow-up during the summer exploration program. Trenching, channel sampling and prospecting are planned for that exploration campaign.

***Bay James Fe (Fe) operated by Midland***

*Property Description*

The Montagne-du-pin property consist in a total of 163 wholly owned claims covering 8,257 hectares and are located along the Trans-Taiga road, James Bay.

*Exploration work on the property*

No work conducted on the property during Q2-15 YTD.

**QUEBEC / LABRADOR**

***Ytterby (REE), in partnership with JOGMEC and operated by Midland***

*Property Description*

At the end of Fiscal 14, the Ytterby Project comprises 1,108 claims in Labrador located between 200 and 230 kilometres east and northeast of Schefferville.

*Exploration work on the property*

Discussions with Japan Oil, Gas and Metals National Corporation (« JOGMEC ») to plan the next exploration campaign are underway with the objective to further evaluate the economic potential to extract the mineralized boulders from the Strange Lake glacial dispersal train.

No work conducted during Q2-15 AAD.

**NORTHERN QUEBEC**

***Pallas (PGE), in partnership with JOGMEC and operated by Midland***

*Property Description*

At the end of Fiscal 14, the property totals 494 claims covering approximately 22,469 hectares in the Labrador Trough («Trough») some 80 kilometres west of Kuujjuak, Québec.

On January 21, 2014, the Corporation signed an option agreement with JOGMEC whereby JOGMEC has the option to acquire 50% interest in the Pallas project prior to March 31, 2016 by funding \$2,000,000 in expenditures.

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**Investing activities (Cont'd)**

*Exploration work on the property*

Acquiring a large land package in the Labrador Trough for the Platinum Group Elements plus gold (PGE + Au) followed an exhaustive compilation of all the old PGE + Au showings found between 1986 and 2000 by various exploration companies. Once officially recorded, our mining titles were covering already tenth of occurrences with more than 1.0 g/t PGE + Au. Late in 2013, Midland's exploration team added another tenth occurrence with about the same PGE + Au grade. All mineralization are concentrated in differentiated mafic sills comprising mineralized gabbroic horizons alike reefs.

Following the option agreement signature with JOGMEC, a detail airborne magnetic survey has been completed. A total of 3,201 line-kilometers has been completed on Juno-Ceres, Itokawa, Gaspar and Palladin grids respectively. In the meantime, Midland has acquired four high-resolution colored satellite images (50 centimetres per pixel) covering the same areas.

In about thirty days during summer 2014, an exploration program including prospecting and channel sampling was completed to further evaluate the best PGE + Au known of Ceres, Gaspar, Itokawa and Palladin.

During the program, a total of 730 grab samples were collected over all of the Ceres, Itokawa, Gaspar and Palladin claim blocks. More than 20% of the samples have returned very anomalous PGE + Au values including 149 grabs > 0.1 g/t PGE + Au, including 92 > 0.2 g/t PGE + Au, including 40 > 0.5 g/t PGE + Au, including 27 > 0.75 g/t PGE + Au, including 15 > 1.0 g/t PGE + Au, including 9 > 2.0 g/t PGE + Au, including 3 > 4.0 g/t PGE + Au and including 1 ≥ 12.6 g/t PGE + Au. In general, the grab samples are gabbro with trace to 5% combined disseminated chalcopyrite and pyrrhotite.

The best results come from the Gaspar claim blocks with a grab sample returning 12.6 g/t PGE + Au and another one, few meters apart, returning 2.76 g/t PGE + Au (Athena Showing). Five hundred meters north, 3 other grabs, from the Triton Showing, returned 3.2, 0.92 and 0.9 g/t PGE + Au respectively. Another 500m NW, and requiring additional follow up work, 3 grabs from 3 distinct mineralized zones have returned 0.79, 0.55 and 0.46 g/t PGE + Au. On the Ceres claim block, the best results come from a new showing located 5600m NNO from the Ceres Showing and returning 4.3 g/t PGE + Au. Other interesting results, coming from another new mineralised zone 4200m SSW of the Ceres Showing, have returned, from grab samples, 4.94, 2.93, 2.85 and 0.93 g/t PGE + Au. On the Itokawa claim block, the best results are 2.69 and 2.46 g/t PGE + Au still from grab samples. Most of these above mentioned showing were further investigated by prospecting and/or channel sampling.

In the meantime, a total of 1220 channel samples, about a meter in length in general, was cut and have returned several PGE + Au anomalies including 268 channels > 0.1 g/t PGE + Au, including 86 > 0.25 g/t PGE + Au, including 39 > 0.5 g/t PGE + Au, including 29 > 0.75 g/t PGE + Au, including 21 > 1.0 g/t PGE + Au, including, 6 > 2.0 g/t PGE + Au including, 2 > 3.0 g/t PGE + Au and a ≥ 4.52 g/t PGE + Au.

The best channels assay results come from, 125m SSE in the extension of the Palladin Showing (Osisko, 2000 and returning 5.5 g/t PGE + Au). Discontinuous channels along a NNW-SSE mineralized trend, have returned, over 90m, 1.57 g/t PGE + Au over 0.58m open to the west; 2.24 g/t PGE + Au over 1.34m; 1.53 g/t PGE + Au over 0.54m and open on both sides; 2.9 g/t PGE + Au over 1.76m, including 4.5 g/t over 0.80m and open on both sides; 0.73 g/t PGE + Au over 1.07m and open on both sides; 1.23 g/t PGE + Au over 0.43m; and 1.94 g/t Au over 2.1m including 2.65 g/t over 0.75m and open on both sides. This NNW trending mineralized zone, open on both sides, has been traced over 260m with a ending channel returning 1.4 g/t PGE + Au over 0.82m.

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**Investing activities (Cont'd)**

On the Itokawa claim block, and testing a showing found in 2013 returning 1.73 g/t PGE + Au, a channel trough the mineralized zone has returned 1.32 g/t PGE + Au over 2.83m including 3.5 g/t PGE + Au over 0.35m. More than hundred thirty meters NNW, along the same mineralized corridor, another channel returned 1.12 g/t PGE + Au over 2.0m. Farther north, another mineralized zone called Itokawa North and cut by 2 channels have returned 1.29 g/t PGE + Au over 0.6m and 1.21 g/t PGE + Au over 0.36m respectively.

On the Ceres and Gaspar claim blocks, additional channel have returned interesting assay results varying between 0.5 to 1.0 g/t PGE + Au over sub-metric lengths.

Very encouraged by these results, we are currently planning our next exploration program that will include prospecting and additional channel sampling of our best outlined targets..

A total of 88 grab samples has been collected and has returned very interesting results with a grab sample, located about 100m south of the Enish Est Showing, returning 7.12 g/t PGE + Au. As well, 700m NNW of the Triton Showing on the Gaspar claim block, 3 grabs from the Herculina area, have returned 1.12, 0.81 and 0.48 g/t PGE + Au respectively. Five hundred meters south of the Athena Showing, another grab has returned 0.89 g/t PGE + Au. Finally, 2700m NNW of the Triton showing, in an area named Olympus, 5 grabs returned 0.95, 0.77, 0.76, 0.59 and 0.58 g/t PGE + Au respectively. All these new occurrences deserved additional works follow-up in the next field season.

In the meantime, a total of 262 channel samples was cut, among other, on the Athena, Triton, Enish East and Palladin Showings. On Palladin, testing a channel returning 4.5 g/t PGE + Au over 0.8m, a new channel has returned 1.58 g/t PGE + Au over 1.7m including 2.0 g/t PGE + Au over 0.55m.

On Athena, 2 adjacent channels have returned 2.5 g/t PGE + Au over 1.68m and 1.52 g/t PGE + Au over 4.35m including 2.33 g/t PGE + Au over 1.15m. About 30m NNW, along the same mineralized corridor, another channel has returned 1.13 g/t PGE + Au over 0.5m. On the Triton Showing, 4 channels have returned 0.77 g/t PGE + Au over 1.23m, and few meters south 1.7 g/t PGE + Au over 0.42m and adjacent 1.56 g/t PGE + Au over 1.09m and, 8m south 0.67 g/t PGE + Au over 0.8m.

Finally, on Enish East, over a series of 10 channels along the same 230m long mineralized corridor, 1.29 g/t PGE + Au over 0.55m, and 47m south, 0.62 g/t PGE + Au over 0.58m and, 33m south, 0.41 g/t PGE + Au over 1.31m, and 135m south 0.68 g/t PGE + Au over 0.75m, and 8m south, 1.04 g/t PGE + Au over 0.75m, and adjacent 2.47 g/t PGE + Au over 1.42m including 4.1 g/t over 0.65m, and 4m south 2.17 g/t PGE + Au over 0.74m.

By diamond drilling, Midland has tested the Ceres and Palladin Showing with 2 drill holes each, while one hole was completed on Enish East, Athena and Triton Showings. A total of 767 core samples, for 950m of drilling, was cut and send for analysis. Our best assay results by drilling are 0.60 g/t PGE + Au over 1.45m including 0.94 g/t over 0.69m and 0.28 g/t PGE + Au over 8.5m including 0.77 g/t over 1.0m on Palladin et Ceres respectively. Very encouraged by these results, we are currently planning our next exploration program that will include prospecting and additional channel sampling of our best outlined targets.

***Willbob (Au), operated by Midland***

***Property Description***

The Willbob property in the Labrador Trough consists of 51 claims covering about 23.2 square kilometres, and is located approximately 66 kilometres west-southwest of Kuujjuaq (Québec), near and in a geological environment similar to Midland's Pallas Project which is currently being worked in partnership with JOGMEC.

# Midland Exploration Inc.

## Management Discussion & Analysis

Six months ended March 31, 2015

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### Investing activities (Cont'd)

#### *Exploration work on the property*

The Willbob property covers a series of gabbro sills, where numerous gold showings were historically discovered, over more than 8 kilometres. Exploration work conducted by the Nunavik Mineral Exploration Fund ("NMEF") from 2004 to 2006 reported several gold showings that returned up to 31.3 g/t Au on selected grab samples. Visible gold was reported at the Kuni Showing which returned 19.8 g/t Au. Another sample returned 9.5 g/t Au at about 120 metres to the north-west of the Kuni Showing. The Lafrance Showing, located about 6.5 kilometers north of the Kuni Showing, returned up to 21.9 g/t Au on selected grab samples and gold values are traced over 130 metres surface length. Historical channel sampling on the Lafrance Showing returned 3.0 g/t Au over 2.90 metres and 2.6 g/t Au over 3.90 metres in a second channel located about 40 metres north. About 3.5 kilometres from and along the Lafrance mineralized zone trend, the NMEF reported the Polar Bear Showing with values up to 6.4 g/t Au. There, the NMEF reports a gold anomalous corridor that can be traced over 330 metres in the area. (Source: *Nunavik Mineral Exploration Fund 2006 Activity Report*).

Midland 2014 grab resampling along the Lafrance auriferous corridor returned up to 5.4 g/t Au and more sample assays are pending. Several gold showings on the Willbob property are associated to a felsic unit intruding the gabbro sills. Moreover, an important deformation corridor hosts the mineralized zones. Strong ankerite-fuschite-calcite alterations are associated with the arsenopyrite-rich gold mineralizations observed on the property (Kuni, Polar Bear and Lafrance Showings). These showings remain open in all directions and remain untested by drilling. Midland is currently planning a first exploration program that will include prospecting and channel sampling of Polar Bear, Kuni and Lafrance Showings.

#### **Project Generation**

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

#### **Other Activities**

For Fiscal 2015, Midland intends to be pro-active in the acquisition of new mineral exploration properties in Quebec. Management is currently 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.

### Financing activities

The Corporation finances itself mainly through share issuance.

In December 2014, the Corporation completed private placements by issuing 1,263,288 units at \$0.70 per unit for total gross proceeds of \$884,302. Each unit is comprised of one common share and one-half of a warrant. Each whole warrant will entitle the holder to purchase one additional common share at \$0.95 until December 2016.

In December 2014, the Corporation completed private placements by issuing 1,096,683 flow-through shares respectively at \$0.85 per share, for total gross proceeds of \$906,680.

The balance on flow-through financing not spent of \$111,510 as of September 30, 2014, according to the restrictions imposed by the December 2013 financing, was entirely expensed as at December 31, 2014.

As of March 31, 2015, the balance on flow-through financing not spent according to the restrictions imposed by the December 2014 financing (note 6) represents \$808,147.

See also the subsequent event section.

**Midland Exploration Inc.**  
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**Working capital**

Midland has a working capital of \$4,074,639 as of March 31, 2015 (\$3,137,673 as of September 30, 2014). In addition, the Corporation closed a private placement of \$14,435,798 in May 2015.

	<b>Annualized</b>
<b>Cash flow required</b>	<b>\$</b>
Operating expenses, excluding non-cash items	1,091,000
Project management fees and interest income	(403,000)
Exploration budget paid by Midland (covering the exploration work requirements following the December 2014 flow-through private placement of \$906,680)	3,400,000
Mining credits	(485,000)
Staking and property maintenance	75,000
<b>Total</b>	<b><u>3,678,000</u></b>

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. 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.

**Summary of results per quarters**

For the eight most recent quarters:

	<b>Q2-15</b>	<b>Q1-15</b>	<b>Q4-14</b>	<b>Q3-14</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenues	98,516	97,863	74,204	27,059
Net loss	(185,672)	(102,702)	(1,397,949)	(141,146)
Loss per share	(0.01)	-	(0.05)	-
Total assets	11,044,082	11,187,994	9,892,800	10,741,442
	<b>Q2-14</b>	<b>Q1-14</b>	<b>Q4-13</b>	<b>Q2-13</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenues	35,856	35,464	2,536	1,194
Net loss	(248,268)	(187,223)	(106,783)	(110,868)
Loss per share	(0.01)	(0.01)	-	-
Total assets	10,888,313	10,869,758	9,953,971	9,897,527

**Midland Exploration Inc.**  
**Management Discussion & Analysis**  
Six months ended March 31, 2015

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**Compensation to key management and related party transactions**

**a) Compensation to key management**

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

	<u>T2-15 YTD</u>	<u>T2-14 YTD</u>
	\$	\$
Short-term benefits		
Salaries including bonuses and benefits	157,925	119,901
Professional fees	40,093	36,250
Professional fees in share issue expenses	2,429	7,652
Salaries including bonuses and benefits capitalized in E&E expenses	70,510	63,840
Long-term benefits		
Stock-based compensation	37,293	69,205
Stock-based compensation capitalized in E&E expenses	6,216	11,401
<b>Total compensation to key management</b>	<b><u>314,466</u></b>	<b><u>308,249</u></b>

**b) Related party transactions**

In the normal course of operations, in addition to the amounts listed above in the compensation to key management, during Q2-15 YTD:

- ◆ A firm in which René Branchaud (director and corporate secretary) is a partner charged legal professional fees amounting to \$58,747 (\$42,639 in Q2-14 YTD) of which \$33,349 (\$27,834 in Q2-14 YTD) was expensed and \$25,398 (\$14,805 in Q2-14 YTD) was recorded as share issue expenses;
- ◆ A company controlled by Ingrid Martin (chief financial officer) charged accounting professional fees of \$27,650 (\$24,403 in Q2-14 YTD) for her staff;
- ◆ In December 2014, directors and officers of the Corporation participated in private placements of flow-through shares for a total consideration of \$79,050 (\$103,600 in a private placement closed in December 2013).

As at March 31, 2015, the balance due to the related parties amounted to \$54,065 (\$6,610 as at March 31, 2014) and was recorded in accounts payable and accrued liabilities.

**Subsequent events**

On May 4, and 12, 2015, the Corporation completed a private placement of 20,622,569 units at a price of \$0.70 per unit for total gross proceeds of \$14,435,798. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase one common share at a price of \$1.15 until May 3, 2018.

In connection with the private placement, the Corporation paid finder's fees of \$457,980 and issued compensation warrants entitling the finders to acquire 555,000 common shares of Midland at a price of \$0.70 per share until May 3, 2017.

**Midland Exploration Inc.**  
Management Discussion & Analysis  
Six months ended March 31, 2015

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**Outstanding share data**

	<b>As of May 14, 2015</b>	<b>As of March 31, 2015</b>
	<u>Number</u>	<u>Number</u>
Common shares	53,259,052	32,636,483
Warrants	22,210,214	1,032,645
Options	1,545,000	1,545,000
	<b><u>77,014,266</u></b>	<b><u>35,214,128</u></b>

**Off-balance sheet arrangements**

During Q2-15 YTD, the Corporation did not set up any off-balance sheet arrangements.

**Critical accounting estimates**

In preparing these condensed interim financial statements as at March 31, 2015, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended September 30, 2014.

**Financial instruments**

There is no significant change relating the classification or risks relating to financial instruments since the annual MD&A of September 30, 2014.

**Risk factors**

There is no significant change relating to the risk factors since the annual MD&A of September 30, 2014.

**Forward looking information**

This management's discussion and analysis contains forward looking statements reflecting Midland's objectives, estimates and expectations. These statements are identified by the use of verbs such as "believe", "anticipate", "estimate", and "expect". As well as the use of the future or conditional tense. By their very nature, these types of statements involve risk and uncertainty. Consequently, results could differ materially from the Corporation's projections or expectations.

May 14, 2015

*(S) Gino Roger*  
\_\_\_\_\_  
Gino Roger  
President and Chief Executive Officer

*(S) Ingrid Martin*  
\_\_\_\_\_  
Ingrid Martin  
Chief Financial Officer



# Midland Exploration Inc.

## Corporate Information

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### Directors

Jean-Pierre Janson, Chairman of the board <sup>1) 2)</sup>

Gino Roger

Germain Carrière <sup>1) 2) 3)</sup>

Robert I. Valliant <sup>1) 3)</sup>

René Branchaud <sup>3)</sup>

### Notes:

- 1) *Member of the Audit committee*
- 2) *Member of the Compensation Committee*
- 3) *Member of the Corporate Governance Committee*

### Officers

Gino Roger, President and Chief Executive Officer

Mario Masson, Vice-president Exploration

Ingrid Martin, Chief Financial Officer

René Branchaud, Secretary

### Head Office

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Website : [www.midlandexploration.com](http://www.midlandexploration.com)

### Auditors

PricewaterhouseCoopers, L.L.P.

1250 René-Lévesque Blvd West, Suite 2800

Montreal, Quebec, H3B 2G4

### Legal counsel

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Montreal, Quebec, H3B 4M4

### Transfer Agent

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