



# **Midland Exploration Inc.**

Management's Discussion and Analysis  
Quarterly Highlights

Three months ended December 31, 2015

# Midland Exploration Inc.

## Management Discussion & Analysis – Quarterly Highlights

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# Midland Exploration Inc.

## Management Discussion & Analysis – Quarterly Highlights

Three months ended December 31, 2015

The following quarterly highlights management discussion and analysis (the “MD&A Highlights”) 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 Q1-16. This MD&A Highlights should be read in conjunction with the Corporation’s condensed interim financial statements as at December 31, 2015 prepared in accordance with the International Financial Reporting Standards (“IFRS”), as well as with the management discussion and analysis for the year ended September 30, 2015. All figures are in Canadian dollars unless otherwise noted.

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 found on [www.sedar.com](http://www.sedar.com).

Abbreviation	Period
Q1-15	October 1, 2014 to December 31, 2014
Q2-15	January 1, 2015 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
Q1-16	October 1, 2015 to December 31, 2015
Q2-16	January 1, 2016 to March 31, 2016
Q3-16	April 1, 2016 to June 30, 2016
Q4-16	July 1, 2016 to September 30, 2016
Fiscal 16	October 1, 2015 to September 30, 2016

### 1. 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. The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the MD ticker.

### 2. OVERALL PERFORMANCE

Midland has a working capital of \$10,084,502 as of December 31, 2015 (\$9,999,139 as of September 30, 2015) as well as \$6,496,000 (\$6,496,000 as of September 30, 2015) of investments in guaranteed investment certificates with expiry dates over 1 year, which will allow the Corporation to execute its exploration program for at least the next three years.

On November 20, 2015, the Corporation completed private placements by issuing 835,365 flow-through shares respectively at \$0.85 per share, for total gross proceeds of \$710,060.

As operator, Midland incurred exploration expenditures totalling \$1,056,384 (\$1,134,574 in Q1-15), on its properties of which \$837,541 was recharged to its partners (\$916,864 in Q1-15). The operating partners incurred \$173,426 of exploration expenses (none during Q1-15). Also, the Corporation invested \$61,431 (\$70,137 in Q1-15) to complete several property acquisitions in Quebec of which \$16,464 was recharged to its partners (\$41,428 in Q1-15).

The Corporation reported a loss of \$195,401 in Q1-16 compared to \$102,702 for Q1-15.

- Project management fees decreased to \$42,340 (\$95,829 in Q1-15). The exploration on Jouvex and Casault generated less fees than the exploration on Pallas, Samson and Adam in Q1-15.
- Interest income increased to \$59,945 (\$14,881 in Q1-15) following the May 2015 \$14.4 million private placement.
- Operating expenses increased to \$332,266 (\$242,906 in Q1-15) due to increase corporate activities.

# Midland Exploration Inc.

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### 3. INVESTING ACTIVITIES

Deferred exploration expenses Q1-16	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Sub total	Stock-based compen-	Recharge	Tax credits	Option payment	Write-off	Net change	Balance end
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Abitibi</b>														
Maritime Cadillac	232,965	-	-	-	-	-	-	-	-	-	-	-	-	232,965
Lafamme Au	1,507,229	-	-	-	-	-	-	392	-	-	-	-	392	1,507,621
Patris Au	219,143	5,018	1,094	1,235	-	-	7,347	1,103	(7,347)	-	-	-	1,103	220,246
Casault Au	298,888	46,911	14,324	465,881	51,224	-	578,340	5,452	(578,340)	-	-	-	5,452	304,340
Jouvex Au	348,457	13,293	47,038	167,340	6,227	-	233,898	1,348	(233,898)	-	-	-	1,348	349,805
Heva Au	35,133	17,999	-	-	4,314	-	22,313	-	-	(6,662)	-	-	15,651	50,784
Valmond Au	120,742	-	-	-	-	-	-	-	-	-	-	-	-	120,742
Samson Au	439	-	-	242	-	-	242	698	-	-	-	-	940	1,379
La Peltrie	118,209	2,490	44,135	-	-	40,080	86,705	735	-	(14,165)	-	-	73,275	191,484
Adam	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abitibi Au	117,841	7,500	-	-	-	-	7,500	-	-	(1,411)	-	-	6,089	123,930
<b>Grenville-</b>														
<b>Appalaches</b>														
Weedon Cu Zn Au	484,279	4,532	-	22,420	-	-	26,952	-	-	(1,057)	-	-	25,895	510,174
Gatineau Zn	28,892	33	-	-	-	-	33	-	-	-	-	-	33	28,925
<b>Bay-James</b>														
Bay-James Au	248,057	4,290	168	-	1,523	-	5,981	-	-	(1,411)	-	-	4,570	252,627
Eleonore Au	1,527,352	10,409	-	-	6,617	-	17,026	834	-	(5,221)	-	-	12,639	1,539,991
<b>Québec Labrador</b>														
Ytterby ETR	172,054	1,943	-	-	2,026	-	3,969	-	-	-	-	-	3,969	176,023
<b>Northern Quebec</b>														
Pallas PGE	269,391	17,777	-	-	18,135	-	35,912	1,397	(17,956)	(5,253)	-	-	14,100	283,491
Willbob Au	111,951	20,779	-	-	6,896	-	27,675	294	-	(7,756)	-	-	20,213	132,164
<b>Projects generation</b>	59,390	2,337	-	-	-	-	2,337	-	-	(131)	-	-	2,206	61,596
<b>TOTAL</b>	<b>5,900,412</b>	<b>155,311</b>	<b>106,759</b>	<b>657,118</b>	<b>96,962</b>	<b>40,080</b>	<b>1,056,230</b>	<b>12,253</b>	<b>(837,541)</b>	<b>(43,067)</b>	<b>-</b>	<b>-</b>	<b>187,875</b>	<b>6,088,287</b>

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### 3. INVESTING ACTIVITIES (CON'T)

Deferred exploration expenses Q1-15	Balance beginning	Geology	Geophysics	Drilling	Geo-chemistry	Line cutting	Travelling	Sub total	Stock-based compensation	Recharge	Tax credits	Option payment	Write-off	Net changes	Balance end
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Abitibi</b>															
Maritime	232,965	-	-	-	-	-	-	-	-	-	-	-	-	-	232,965
Cadillac Au	1,310,514	5,320	24,500	-	-	5,460	-	35,280	-	-	(3,262)	-	-	32,018	1,342,532
Laflamme Au	208,755	3,040	-	2,426	-	-	-	5,466	4,674	(5,466)	-	-	-	4,674	213,429
Patris Au	290,082	19,380	26,961	5,229	-	-	-	51,570	-	(50,050)	-	-	-	1,520	291,602
Casault Au	346,090	4,280	-	1,068	-	-	-	5,348	-	(3,828)	-	-	-	1,520	347,610
Jouvex Au	18,563	-	-	-	-	-	-	-	-	-	-	-	-	-	18,563
Heva Au	123,955	2,280	-	65,725	-	-	186	68,191	3,272	(68,191)	-	(10,000)	-	(6,728)	117,227
Valmond Au	-	14,150	117,195	41,114	-	49,530	-	221,989	-	(221,989)	-	-	-	-	-
Samson Au	-	-	143,670	-	-	-	-	143,670	-	(143,670)	-	-	-	-	-
Adam	36,641	2,886	18,458	-	-	-	-	21,344	-	-	(2,356)	-	-	18,988	55,629
Abitibi Au															
<b>Grenville-</b>															
<b>Appalaches</b>															
Weedon Cu, Zn, Au	388,013	9,610	97,870	-	-	-	458	105,488	-	-	(12,502)	-	-	95,436	483,449
Gatineau Zn	28,766	33	-	-	-	-	-	33	-	-	-	-	-	33	28,799
<b>Bay-james</b>															
Bay-James Au	216,677	9,446	-	-	-	-	-	9,446	-	-	(3,449)	-	-	5,997	222,674
Eleonore Au	1,175,139	25,931	-	-	-	-	-	25,931	2,804	-	(9,470)	-	-	19,265	1,194,404
Bay-James U	14,686	-	-	-	-	-	-	-	-	-	-	-	-	-	14,686
Bay-James Fe	42,158	-	-	-	-	-	-	-	-	-	-	-	-	-	42,158
<b>Québec</b>															
<b>Labrador</b>															
Ytterby ETR	109,090	-	-	-	-	-	-	-	-	-	-	-	-	-	109,090
<b>Northern Quebec</b>															
Pallas PG	216,088	80,069	-	307,100	36,577	-	349	424,095	935	(423,670)	(156)	-	-	1,204	217,292
Willbob Au	5,116	13,602	-	-	671	-	-	14,273	-	-	(5,213)	-	-	9,060	14,176
<b>Projects Generation</b>	39,547	-	-	-	-	-	-	-	-	-	-	-	-	-	39,547
<b>TOTAL</b>	<b>4,802,845</b>	<b>190,027</b>	<b>428,654</b>	<b>422,662</b>	<b>37,248</b>	<b>54,990</b>	<b>993</b>	<b>1,134,574</b>	<b>11,685</b>	<b>(916,864)</b>	<b>(36,408)</b>	<b>(10,000)</b>	<b>-</b>	<b>182,987</b>	<b>4,985,832</b>

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### 3. INVESTING ACTIVITIES (CON'T)

Expenses Exploration and evaluation Properties	Actual Q1-15			Actual Q1-16			Budget 2016		
	Midland	Partner	Total	Midland	Partner	Total	Midland	Partner	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>100% owned by Midland</b>									
Abitibi Au	21,344	-	21,344	7,694	-	7,694	75,000	-	100,000
Heva	-	-	-	22,313	-	22,313	80,000	-	80,000
Valmond	-	-	-	-	-	-	15,000	-	15,000
Samson	-	-	-	-	-	-	-	-	-
Adam	-	-	-	-	-	-	-	-	-
La Peltrie	-	-	-	86,705	-	86,705	550,000	-	550,000
Jeremie	-	-	-	-	-	-	25,000	-	25,000
Weedon Cu-Zn-Au	107,938	-	107,938	26,952	-	26,952	100,000	-	100,000
Gatineau Zn	33	-	33	33	-	33	20,000	-	20,000
James Bay Au	9,446	-	9,446	5,981	-	5,981	50,000	-	50,000
Éléonore Au	25,931	-	25,931	17,026	-	17,026	100,000	-	100,000
Willbob	14,273	-	14,273	27,675	-	27,675	400,000	-	400,000
Samson	-	-	-	242	-	242	-	-	-
Project generation	-	-	-	2,297	-	2,297	40,000	-	40,000
	178,965	-	178,965	196,918	-	196,918	1,455,000	-	1,455,000
<b>With option, 100% owned and operated by Midland and paid by partner</b>									
Valmond Au – Sphinx	-	68,191	68,191	-	-	-	-	-	-
Pallas PGE Jogmec	425	423,670	424,095	17,956	17,956	35,912	225,000	225,000	450,000
Samson - Sphinx	-	221,989	221,989	-	-	-	50,000	-	50,000
Adam - Sphinx	-	143,670	143,670	-	-	-	50,000	-	50,000
Casault - Soquem	1,520	50,050	51,570	-	578,340	578,340	-	1,345,000	1,345,000
Jouvex – Soquem	1,520	3,828	5,348	-	233,898	233,898	-	510,000	510,000
	3,465	911,398	914,863	17,956	830,194	848,150	325,000	2,080,000	2,405,000
<b>With option, 100% owned by Midland, operated and paid by the partner</b>									
Patris Au – Teck	-	5,466	5,466	7,347	140,599	147,946	-	300,000	300,000
<b>In joint venture</b>									
Maritime-Cadillac-Agnico Eagle (operator) at 51%	-	-	-	-	-	-	25,000	25,000	50,000
Vermillon- Soquem at 52.5%	-	-	-	16,887	15,940	32,827	-	-	-
Ytterby REE-Jogmec at 49.5%	-	-	-	-	3,969	3,969	20,000	-	20,000
Laflamme Au – Aurbec at 35.1%	35,280	-	35,280	-	-	-	100,000	-	100,000
	35,280	-	35,280	16,887	19,909	36,796	145,000	25,000	170,000
	<b>217,710</b>	<b>916,864</b>	<b>1,134,574</b>	<b>239,108</b>	<b>990,702</b>	<b>1,229,810</b>	<b>1,925,000</b>	<b>2,405,000</b>	<b>4,330,000</b>

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### 3. INVESTING ACTIVITIES (CONT'D)

When the work is done and paid by the partners, the expenses are not included in the Midland accounts. The previous table shows all the work being done on Midland's properties including work done and paid by operating partners. This table excludes stock-based compensation that has been capitalized.

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

#### ABITIBI

#### 3.1 Maritime-Cadillac (Au) in partnership with Agnico Eagle and operated by Agnico Eagle

##### *Exploration work on the property*

During Q1-16, Agnico Eagle completed a 3D-Model which includes all the historical data from the Lapa and Maritime-Cadillac areas. Currently, a series of requests are being performed on the model in order to generate the next drilling targets on the Maritime-Cadillac property along the Cadillac break.

#### 3.2 Laflamme (Au-Ni-Cu-PGE), in partnership with Aurbec Mines Inc. and operated by Midland

##### *Exploration work on the property*

Recently, a borehole electromagnetic survey (BHEM) using two different loops was completed in order to localize an off-hole anomaly that had been detected in hole LA-11-08 which discovered a new Ni-Cu-PGE zone grading 0.66% Ni, 0.35% Cu, 0.17 ppm Pt and 0.16 ppm Pd over 8.0 metres, including a higher grade interval of 1.55% Ni, 0.53% Cu, 0.26 ppm Pt and 0.28 ppm Pd over 1.60 metres. These surveys have positioned the conductor at approximately 60 metres below hole LA-11-08 at a vertical depth of about 350 metres. A drilling program is in preparation in order to test this new target located at the contact between the mafic volcanics and an ultramafic intrusion.

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

##### *Exploration work on the property*

During Q1-16, an induced polarization (15 km) and a magnetic survey were completed in the lateral extensions of the alteration zone intersected in hole PAT-15-05 over more than 100 metres. Following these surveys, a drilling program consisting in four (4) holes totalling 1,000 metres has been approved and will begin as soon as the necessary authorizations have been received. This program will test a series of geophysical anomalies located in the vicinity of the alteration zone intersected in hole PAT-15-05.

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

##### *Exploration work on the property*

During the course of the first quarter, eight (8) drill holes totalling 3,069 metres were completed on Casault in partnership with SOQUEM. Two main areas were drilled including the northern contact of the Turgeon pluton and the QFP area. Two other drill holes tested IP anomalies to the south of the Sunday Lake deformation zone.

##### Turgeon Pluton area

Three (3) holes were completed near the northern contact of the Turgeon pluton where gold-bearing quartz-carbonate veins had been identified in hole CAS-15-53. This program confirmed the presence of at least three sets of quartz-carbonate veins oriented at N340 with a dip of 50 degrees to the east.

Drill hole CAS-15-68, drilled about 150 metres below hole CAS-15-53, cut a zone of 2.90 g/t Au over 0.40 metre between 271.40 and 271.80 metres and other intervals of 0.87 g/t Au over 0.56 metre from 311.30 to 311.86 metres and 0.38 g/t Au over 0.38 metre from 312.72 and 313.10 metres.

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#### 3. INVESTING ACTIVITIES (CONT'D)

Drill hole CAS-15-69 completed 100 metres to the north of CAS-15-53 returned two zones with veins grading 0.67 g/t Au over 0.55 metre from 136.10 to 136.65 metres and another zone of 0.11 g/t Au over 0.40 metre between 137.35 and 137.75 metres.

At about 110metres to the west of hole CAS-15-53, hole CAS-15-70 intersected three sets of veins with the best values returning:

- 3.34 g/t Au over 0.40 metre (90.10 to 90.50 m)
- 0.78 g/t Au over 0.50 metre ( 170.9 to 171.40 m)
- 0.87 g/t Au over 2.85 metres (293.80 to 296.65 m)
- Incl.: 2.32 g/t Au over 0.65 metre ( 294.80 to 295.45 m)

#### QFP Area

During 2015, some drill holes had intersected gold-bearing mineralization within a felsic porphyritic intrusion (QFP) at the contact between the conglomerates and the mafic volcanics. During the Q1-16 drilling program, two holes tested the southern contact of the QFP and a third one tested a north-south oriented magnetic lineament.

Drill hole CAS-15-71 returned a strongly anomalous gold-bearing zone of 0.31 g/t Au over 12.30 metres (76.20 to 88.50 metres) including a value of 1.22 g/t Au over 0.40 metre. This gold anomalous zone which is mineralized with pyrite remains open in all directions.

Approximately 500 metres further west, drill hole CAS-15-72 intersected the QFP which is strongly altered in hematite but weakly mineralized. A composite value of 0.39 g/t Au over 5.50 metres (386.50 to 392.00 m) was obtained from the sheared and silicified mafic volcanics.

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

##### *Exploration work on the property*

During Q1-16, three (3) drill holes totalling 924.0 metres were completed on Jouvex in partnership with SOQUEM. These holes tested new Orevision IP anomalies identified near the Casa Berardi fault zone. These holes explained the anomalies with the presence of sulphides (Py) accompanied by strong alteration in sericite and iron carbonate. However, no significant gold result was obtained. A compilation of several historical gold showings located in the north-western portion of the property is in progress.

#### 3.5 Heva (Au), operated by Midland

##### *Exploration work on the property*

During the fall of 2015, Midland's exploration team completed a soil geochemical survey (B-horizon) in the western part of the Heva East block where several interesting gold results were obtained during the 2015 summer exploration program. Following these recent works, the best results returned values of 18.0 g / t Au and 5.1 g / t Au from sampling of an old blasted trench and dating back more than twenty years which was found during reconnaissance work and a value of 5.6 g / t Au obtained in sampling mineralized ore masses found near the old Dempsey-Cadillac showing from 1930.

On top of detecting the two main gold-bearing horizons already known in this area, the soil geochemical survey identified two (2) new axes that are anomalous in gold and in arsenic on hundreds meters of extension and parallel to the known gold-bearing horizons. Moreover, these two new axes coincide largely with still unexplained historic induced polarization anomalies. Midland is currently planning more prospecting and mechanical trenching work for next summer to explain these new promising targets in the extension of a subsidiary structure to the Cadillac Break oriented east-west and interpreted from geophysical and geological survey.



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#### 3. INVESTING ACTIVITIES (CONT'D)

This structure, which remains largely unexplored, covers a horizon of deformed conglomerate containing mineralized quartz veins with pyrite and arsenopyrite and is altered in silica and locally in sericite over 4 kilometers.

##### 3.6 Samson Ni-Cu-PGE operated by Midland

###### *Property Description*

On September 3, 2014, the Corporation signed an agreement with Sphinx Resources Ltd. (“Sphinx”) whereby Sphinx can acquire 50% of the Samson property. On December 11, 2015, Sphinx terminated the agreement.

##### 3.7 La Peltrie (Au), operated by Midland

###### *Exploration work on the property*

A ground geophysics survey (IP) started during Q1-16 and is currently in progress. This survey totalling about 125 km covers a series of NW-SE structures as well as several unexplained MegaTEM conductors. The preliminary interpretation shows several new anomalies that will be tested during the Q2-16 drilling program.

##### 3.8 Adam (Cu-Au), operated by Midland

###### *Property Description*

On December 12, 2014, the Corporation signed an agreement with Sphinx whereby Sphinx can acquire 50% of the Adam property. On December 11, 2015, Sphinx terminated the agreement.

###### *Exploration work on the property*

Line cutting started on four grids during the quarter in preparation for a ground electromagnetic survey (TDEM). These surveys cover several new VTEM conductors identified just north of the regional contact between the Enjalran and Brouillan Groups.

#### GRENVILLE-APPALACHES

##### 3.9 Weedon (Cu-Zn-Au) operated by Midland

###### *Exploration work on the property*

Two short drill holes totalling 165 metres were completed during Q1-16 on the Weedon property. These holes targeted the extension at depth of the 2006 massive sulphide showing discovered south of Lingwick.

Hole WEE-15-07 intersected a sulphide zone (Py-Cp) over a few metres that returned 0.26% Cu over 0.50 metre (70.75 to 71.25 m) ; 0.16% Cu over 1.05 metre (71.65 to 72.70 m) and 0.16% Cu over 0.60 metre (72.70 to 73.30 m).

#### NORTHERN QUEBEC

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

###### *Exploration work on the property*

There was no field activity on the Pallas project during this quarter. However we received the assay results of our fall channel sampling program.

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#### 3. INVESTING ACTIVITIES (CONT'D)

On the Ceres claim block, best channels on Patientia, Palma, Elijah, Alauda, Cynthia, Hektor, Ceres South, Ida, Davida, Diatoma, Enish NE and Enish South showings are: 0.8 g/t PGE+Au over 1.4m incl. 1.4 g/t over 0.5m; 0.62 g/t over 0.9m, 0.66 g/t PGE+Au over 2m incl. 0.94g/t PGE+Au over 1.35m (open); 0.55 g/t PGE+Au over 3.6m incl. 0.88 g/t PGE+Au over 1m; 0.34 g/t PGE+Au over 4.8m incl. 0.57 g/t PGE+Au over 2.5m and 0.28 g/t PGE+Au over 2m incl. 0.48 g/t PGE+Au over 1m on Patientia.

On Palma, best channels are 1.23g/t PGE+Au over 1.34m (open) and 0.46g/t PGE+Au over 2.15m; on Elijah they are 1.19 g/t PGE+Au over 1.15m, 0.68 g/t PGE+Au over 2.5m incl. 0.8 g/t over 2m et 1.1 g/t over 0.5m (open), 0.95 g/t PGE+Au over 0.5m, 0.91 g/t PGE+Au over 0.5m (open), 0.85 g/t PGE+Au over 1m, 0.49 g/t PGE+Au over 4.5m incl. 0.73 g/t PGE+Au over 2m, 0.50 g/t PGE+Au over 1.5m and 0.20 g/t PGE+Au over 9m incl. 0.4 g/t PGE+Au over 1m.

On Alauda, best channels are 1.0 g/t PGE+Au over 1.0m, 1.1 g/t PGE+Au over 2.0m, and 0.6 g/t PGE+Au over 0.5m. Farther south on the Cynthia Showing best channels are 1.2 g/t PGE+Au over 0.5m, 0.9 g/t PGE+Au over 0.5m, 1.0 g/t PGE+Au over 1.0m, 2.0 g/t PGE+Au over 0.5m, 0.5 g/t PGE+Au over 1.0m, 1.1 g/t PGE+Au over 0.5m, 0.7 g/t PGE+Au over 1.0m and 1.1 g/t PGE+Au over 0.5m.

On the Hektor showing, there are 2.4 g/t PGE+Au over 1.0m, 0.8 g/t PGE+Au over 0.5m and 0.8 g/t PGE+Au over 0.5m. On Ceres South, the best channels area 2.7 g/t PGE+Au over 1.0m and 3.0 g/t PGE+Au over 0.5m; on Ida to the south west from Ceres South 2.0 g/t PGE+Au over 0.46m.

On the Enish corridor farther west they are Davida with 0.85 g/t PGE+Au over 1.5m, 0.8 g/t PGE+Au over 1.0m, 0.7 g/t PGE+Au over 1.5m, 1.2 g/t PGE+Au over 1.0m. On the Diatoma showing there are 0.71 g/t PGE+Au over 0.5m and 0.6 g/t PGE+Au over 0.5m. Farther north from Davida there is the Diatoma showing with 1.7 g/t PGE+Au over 1.0m, 0.8 g/t PGE+Au over 0.5m, 0.64 g/t PGE+Au over 0.5m, 1.2 g/t PGE+Au over 1.0m, 0.8 g/t PGE+Au over 0.5m ND 1.1 g/t PGE+Au over 0.5m.

On Enish northeast extension there are 0.82 g/t PGE+Au over 0.5m and on Enish south extension 1.1 g/t PGE+Au over 0.5m

On the Itokawa claim block, best channels on the 1.45 g/t Au over 0.5m and 0.96 g/t PGE+Au over 0.5m on Iris; 1.92 g/t PGE+Au over 0.5m on Doris and 0.75 g/t PGE+Au over 0.5m and 0.56 g/t PGE+Au over 0.5m on Metis.

On the Gaspar claim block, best channels are on 0.75 g/t PGE+Au over 0.5m on the Herculina showing and 1.11 g/t PGE+Au over 0.5m on the Egeria Showing.

Midland is currently organizing the next field season for June 2016.

#### 3.11 Willbob (Au), operated by Midland

##### *Exploration work on the property*

There was no field activity on the Willbob project during this quarter. However, we received the assay results for the channel sampling completed on the Polar Bear (6.9 g/t PGE + Au) and Golden Tooth (25.2 g/t PGE + Au) showings. On Golden Tooth four of the seven channels returned the following results; 1.6 g/t Au over 3.0m including 2.1 g/t Au over 2.0m and 3.49 g/t Au over 1,0m; on the second 0.53 g/t Au over 1.0m; on the third 1.45 g/t Au over 0.80m and on the forth one 1.14 g/t Au over 3.0m. On Polar Bear, the best two channels returned 4.0 g/t and 0.51 g/t Au over about half a meter long.

Midland is currently organizing the next field season for June 2016.

## **Midland Exploration Inc.**

### Management Discussion & Analysis – Quarterly Highlights

For the year ended December 31, 2015

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#### **4. RISK FACTORS AND FORWARD LOOKING INFORMATION**

For the risk factors and forward looking information, refer to the annual management discussion and analysis of September 30, 2015.

February 18, 2016

(s) Gino Roger

Gino Roger  
President and CEO

(s) Ingrid Martin

Ingrid Martin  
CFO

# 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

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