



132 boul. Labelle, Suite 220
Rosemère, Québec J7A 2H1

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders (the “Meeting”) of Midland Exploration Inc. (the “Corporation”) will be held at 1, Place Ville Marie, 40th Floor, Montréal, Québec, at 10:00 a.m. (Eastern Standard Time) on Thursday, February 13, 2025 (the “Meeting Date”), for the following purposes:

1. to receive the 2024 Annual Report of the Corporation, containing the consolidated financial statements of the Corporation for the year ended September 30, 2024 and the report of the auditors thereon;
2. to elect the directors for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The management proxy circular of the Corporation (the “**Circular**”) enclosed herein provides detailed information on the items that will be brought before the Meeting and is therefore to be considered as forming a part of this notice. Information respecting the Directors may be found under the heading “Election of Directors” starting on page 6 of the Circular. Information respecting the appointment of the auditors may be found under the heading “Appointment of Auditors” on page 8 of the Circular. Information respecting the use of discretionary authority to vote on any such other business may be found under paragraph “What if amendments are made or if other matters are brought before the Meeting?” on page 3 of the Circular.

The Corporation has elected to use the notice and access model (the “**Notice and Access**”) for the delivery of the Circular and the Corporation’s management’s discussion and analysis and consolidated financial statements for the fiscal year ended September 30, 2024 (collectively, the “**Meeting Materials**”) to its shareholders.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders are receiving this notice with information on how they may access such Meeting Materials electronically. However, together with this notice, shareholders continue to receive a proxy (in the case of registered shareholders) or a voting instruction form (in the case of non-registered shareholders), enabling them to vote at the Meeting. The Corporation has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Accessing Meeting Materials Online

The Meeting Materials can be accessed online on the Corporation's SEDAR+ profile at www.sedarplus.ca or on the Corporation's website at www.midlandexploration.com.

Requesting Printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date the Circular was filed on SEDAR+. Registered shareholders may make their request by calling the Corporation's transfer agent, TSX Trust Company ("**TSX Trust**"), at 1-866-600-5869 (within North America) and at 1-416-342-1091 (outside North America). Non-registered shareholders may make their request by telephone at 1-866-600-5869.

To receive the Meeting Materials in advance of the proxy deposit date and Meeting Date, shareholders' requests for printed copies must be received by February 4, 2025 to ensure timely receipt within three business days of the request.

Stratification

The Corporation has determined that those registered and beneficial shareholders with existing instructions on their account to receive printed materials and those registered and beneficial shareholders with addresses outside of Canada and the United States will receive a printed copy of the Meeting Materials with this notice.

Montréal, January 3, 2025.

BY ORDER OF THE BOARD OF DIRECTORS

(s) Gino Roger

Gino Roger, President and Chief Executive Officer

IMPORTANT

Holders of shares may exercise their rights by attending the Meeting or by completing a proxy form. Those who are unable to attend the Meeting are urged to complete and return the enclosed form of proxy to TSX Trust, 100 Adelaide West, suite 301, Toronto, Ontario, M5H 4H1, or by fax at 1-416-595-9593, before 10:00 a.m. (Eastern Standard Time) on Tuesday, February 11, 2025. A person appointed as proxy need not be a shareholder of the Corporation. Holders of shares may also exercise their voting rights by going to the following website: www.voteproxyonline.com. For any additional information concerning this matter or questions regarding the use of the Notice and Access by the Corporation, please contact TSX Trust by calling at no charge at 1-866-600-5869 (within North America) and at 1-416-342-1091 (outside North America) or by e-mail at tsxtis@tmx.com.

The Corporation urges shareholders to review the Meeting Materials before voting.



MIDLAND EXPLORATION INC.

(the "Corporation")

MANAGEMENT PROXY CIRCULAR

ANNUAL MEETING OF SHAREHOLDERS

REGISTERED SHAREHOLDERS

You will have received a form of proxy from the Corporation's transfer agent, TSX Trust Company ("TSX Trust"). Complete, sign and mail your form of proxy in the postage envelope provided or if you prefer to submit the form by way of fax or Internet, follow the instructions on the form to that effect.

NON-REGISTERED SHAREHOLDERS

Your shares of the Corporation are held in the name of an intermediary (securities broker, trustee or other financial institution). You will have received a request for voting instructions from your broker. Follow the instructions on your Voting Instruction Form to vote by telephone or Internet, or complete, sign and mail the Voting Instruction Form in the postage envelope provided. **To vote at the meeting, see the box on page 5 of this management proxy circular (the "Management Proxy Circular").**

PROXY VOTING

Who is soliciting my proxy?

The enclosed form of proxy is being solicited by the management of the Corporation in connection with the annual meeting of shareholders (the "**Meeting**") to be held on February 13, 2025 (the "**Meeting Date**") and at every adjournment thereof, and the associated costs will be borne by the Corporation. The solicitation of proxies will be primarily by mail, but may be by telephone or other personal contact by directors of the Corporation, such directors receiving no compensation therefore. In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Corporation.

How do I vote?

If you are a registered shareholder, you may vote at the Meeting or you may sign the enclosed form of proxy appointing the named persons or some other person you choose, who need not to be a shareholder, to represent you as proxyholder and vote your shares at the Meeting. Holders of shares may also exercise their voting rights (i) by fax to 1-416-595-9593; or (ii) by email at

tsxtis@tmx.com. If your shares are held in the name of an intermediary, please see the box on page 5 for voting instructions.

What if I plan to attend the Meeting and vote at the Meeting?

If you are a registered shareholder and plan to attend the Meeting on February 13, 2025 and wish to vote your shares at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, TSX Trust, upon arrival at the Meeting. If your shares are held in the name of an intermediary, please see the box on page 5 for voting instructions.

What am I voting on?

The shareholders will be called upon to vote on the following matters:

1. the election of directors to the board of directors of the Corporation for the ensuing year;
2. the appointment of the auditors of the Corporation for the ensuing year and the authorization given to the board of directors to establish their compensation; and
3. any other business as may properly be brought before the Meeting or any adjournment thereof.

For more information, please refer to the heading “**Agenda of Shareholders Meeting**”.

Other than as specifically discussed under the heading “**Agenda for Shareholders Meeting**”, no director, executive officer or proposed nominees for directorship, or any associate or affiliate of such persons has any interest, direct or indirect, by way of beneficial ownership of shares or otherwise, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

What if I sign the form of proxy enclosed with this Management Proxy Circular?

Signing the enclosed form of proxy gives authority to Jean-Pierre Janson or Gino Roger, each of whom is a director of the Corporation, or to another person you have appointed, to vote your shares at the Meeting.

Can I appoint someone other than these directors to vote my shares?

Yes. Write the name of this person, who need not be a shareholder, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of TSX Trust.

What do I do with my completed proxy?

Return it to the Corporation’s transfer agent, TSX Trust, 100 Adelaide West, suite 301, Toronto, Ontario, M5H 4H1, or by fax at 1-416-595-9593, **no later than 10:00 a.m. (Eastern Standard Time) on Tuesday, February 11, 2025.** This will ensure that your vote is recorded.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered at the above-mentioned registered office of TSX Trust, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

How will my shares be voted if I give my proxy?

The persons named on the form of proxy must vote or withhold from voting your shares, or must vote for or against the matters on the agenda, in accordance with your directions, or you can let your proxyholder decide for you. **Where shareholders have not specified in the form of proxy the manner in which the designated proxyholders are required to vote the shares represented thereby as to any matter to be voted on, such shares will be voted, on any ballot that may be called, FOR or IN FAVOUR of such matter.** Please refer to the heading **“Agenda for Shareholders Meeting”**.

What if amendments are made to these matters or if other matters are brought before the Meeting?

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the enclosed form of proxy and with respect to other matters which may properly come before the Meeting. As of the time of printing of this Management Proxy Circular, management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

What if ownership of shares has been transferred after December 24, 2024?

The person who acquired such shares after December 24, 2024, must produce properly endorsed share certificates or otherwise establish that he or she owns the shares and must ask the Corporation no later than 5:00 p.m. (Eastern Standard Time) on Tuesday, February 4, 2025 that his or her name be included in the list of shareholders before the Meeting in order to be entitled to vote these shares at the Meeting.

What is Notice and Access?

The Corporation has elected to use the notice and access model (**“Notice and Access”**) adopted by the Canadian Securities Administrators for the delivery of meeting materials to its shareholders for the Meeting, namely the Management Proxy Circular, Corporation’s consolidated financial statements and management’s discussion and analysis for the year ended September 30, 2024 (collectively, the **“Meeting Materials”**). The Corporation has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a notice of meeting (the “**Notice**”) with information on the date, location and purpose of the Meeting, as well as information on how they may access the Meeting Materials electronically.

Shareholders with existing instructions on their account to receive printed materials and those shareholders with addresses outside of Canada and the United States will receive a printed copy of the Meeting Materials with the Notice.

The Corporation urges shareholders to review this Management Proxy Circular before voting.

Accessing Meeting Materials Online

The Meeting Materials can be accessed online on the Corporation’s SEDAR+ profile at www.sedarplus.ca or the Corporation’s website at www.midlandexploration.com.

Requesting Printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date the Management Proxy Circular was filed on SEDAR+. Shareholders may make their request by calling TSX Trust at 1-866-600-5869 (within North America) and at 1-416-342-1091 (outside North America) up to the Meeting Date.

To receive the Meeting Materials in advance of the proxy deposit date and Meeting Date, shareholders’ requests for printed copies must be received by February 4, 2025 to ensure timely receipt within three business days of the request.

Who counts the votes?

The Corporation’s transfer agent, TSX Trust, counts and tabulates the proxies. This is done independently of the Corporation to preserve the confidentiality of individual shareholder votes. Proxies are referred to the Corporation only in cases where a shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

If I need to contact the transfer agent, how do I reach it?

For general shareholder enquiries or questions regarding the use of the Notice and Access by the Corporation, you can contact the transfer agent:

| | | | |
|--------------------|--|-------------------------|-------------------|
| <u>by mail:</u> | <u>or by email:</u> | <u>or by telephone:</u> | <u>or by fax:</u> |
| TSX Trust Company | tsxtis@tmx.com | 1-866-600-5869 in | 1-416-595-9593 |
| 100 Adelaide West, | | North America or | |
| Suite 301 | | 1-416-342-1091 | |
| Toronto, Ontario, | | outside of North | |
| M5H 4H1 | | America | |

If my shares are not registered in my name but are held in the name of an intermediary (a bank, trust company, securities broker, trustee or other), how do I vote my shares?

These beneficial owners of common shares of the Corporation (the “**Beneficial Owners**”) must be aware of the fact that only proxies filed by shareholders whose names appear in the Corporation’s book as registered holders of common shares may be recognized and may benefit from the right to vote at the Meeting. The voting rights attached to the common shares of the Corporation held by an intermediary may be exercised by the intermediary, on behalf of the Beneficial Owner, only according to the Beneficial Owner’s specific instructions, which must be obtained before the Meeting. Each Intermediary has its own rules concerning the mailing and forwarding of voting instruction forms, notices of meeting, proxy circulars as well as all other documents sent to shareholders for a meeting. The Intermediary is prohibited from exercising the voting rights attached to the common shares of its clients without specific voting instructions.

In accordance with the requirements of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has elected to send the Notice, this Management Proxy Circular and the form of proxy directly to the non-objecting Beneficial Owners (the “**NOBOs**”). The intermediaries are responsible for forwarding these documents to each NOBO who has objected to his intermediary disclosing ownership information about himself (the “**OBO**”), unless that OBO has waived the right to receive them. OBOs will not receive the materials unless the intermediaries assume the cost of delivery.

There are two ways you can vote your shares held by your intermediary. As required by Canadian securities legislation, you will have received from your intermediary either a request for voting instructions or a form of proxy for the number of shares you hold. For your shares to be voted for you, please follow the voting instructions provided by your intermediary. Since the Corporation has limited access to the names of its Beneficial Owners, if you attend the Meeting, the Corporation may have no record of your shareholdings or your entitlement to vote unless your intermediary has appointed you as proxyholder. Therefore, if you wish to vote at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. You can also write the name in the space provided thereof of someone else whom you wish to attend the Meeting and vote on your behalf. In this case, do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, TSX Trust, upon arrival at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of December 24, 2024 (the “**Record Date**”), there were 93,618,758 common shares of the Corporation (the “**Common Shares**”) issued and outstanding, each of which is entitled to one vote at the Meeting. Only shareholders registered at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns the Common Shares, requests no later than 10 days before the Meeting that the transferee’s name be included on the list of shareholders entitled to vote, in which case such transferee is entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, the following person beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation:

| Shareholder Name | Number of Common Shares | Percentage of Issued and Outstanding Common Shares |
|--|-------------------------|--|
| Caisse de dépôt et placement du Québec | 9,401,217 | 10% |

AGENDA FOR SHAREHOLDERS MEETING

1. Election of Directors

Pursuant to the Corporation's articles and resolutions of its board of directors (the "**Board of Directors**"), the business of the Corporation is managed by a board of directors consisting of six directors. Consequently, the shareholders will be called upon to elect six directors to serve, subject to the power of the Board of Directors to appoint additional directors between annual meetings, until the next annual meeting of shareholders or until their respective successors are duly elected or appointed, unless their respective office is earlier vacated in accordance with the By-laws of the Corporation. At the Meeting, the persons named hereunder will be proposed for election as directors of the Corporation. You can vote for all of these proposed directors, vote for some of them and withhold for others, or withhold for all of them. **Unless such authority is withheld, the persons designated in the enclosed form of proxy will vote FOR the election of each of the persons named hereunder as directors of the Corporation.**

This proposal requires the approval of a majority of the votes cast by the holders of Common Shares entitled to vote in person or represented by proxy at the Meeting. Management does not contemplate that any nominee will be unable or unwilling to serve as a director.

The following table sets forth certain information concerning the persons nominated for election as directors of the Corporation, including the office presently held in the Corporation, their principal occupation and the number of Common Shares over which they exercise control.

| Name, Residence and Office Held | Director Since | Principal Occupation | Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly |
|--|----------------|---|--|
| Paul Archer ⁽²⁾⁽³⁾ Québec, Canada Director | 2017 | In 1996, Mr. Archer joined Virginia Mines as Vice-President of Exploration and Acquisitions and Director. Mr. Archer was actively involved in the discovery and development of the Eleonore project. In November 2014, he joined Osisko Gold Royalties Ltd's management team following the merger with Virginia Mines. Mr. Archer retired in July 2017. | 230,000 (0.2%) |
| Jean-Pierre Janson ⁽¹⁾⁽²⁾ Québec, Canada Chairman of the Board of Directors | 2005 | Advisor for Richardson Wealth Limited, a securities dealer, since 2019. Managing Director, National Wealth Management, Richardson GMP Limited, from 2005 to 2019. | 1,746,648 (1.9%) |
| Gino Roger ⁽³⁾ Québec, Canada President, Chief Executive Officer and Director | 2006 | President and Chief Executive Officer of the Corporation | 1,119,722 (1.2%) |
| Annie Dutil ⁽¹⁾ Québec, Canada Director | 2021 | Director of Sidex, a fund that invests in mineral exploration companies active in Québec, since 2022. She was Vice-President and Corporate Controller of Nomad Royalty Company Ltd, a gold and silver royalty and stream corporation, from 2020 to 2022. She has held a number of accounting positions at PricewaterhouseCoopers LLP from 2004 to 2020 | 187,500 (0.1%) |
| Jean Des Rivières ⁽¹⁾⁽³⁾ Québec, Canada Director | 2021 | He was the Vice President Metals Exploration of BHP Group, a mining corporation producing iron, copper, uranium, coal, oil and gaz from 2013 to 2020. He previously held technical and management positions at BHP, Rio Algom Ltd and Noranda Inc., other mining companies. | 81,700 (0.05%) |
| Simon Lussier Québec, Canada Proposed Director | 2024 | Partner, Vice President and Senior Advisor at Van Berkomp & Associates, an advisory firm providing investment, small-cap equity management, and investment advisory services to investors, from 2012 to 2023. He was previously Senior Vice-President, Institutional Equities at Laurentian Bank Securities and has been Partner, Director of the Montreal office of Sprott Securities Inc. He holds a bachelor's degree in commerce and entrepreneurship from McGill University and an MBA in finance from HEC Montréal. | 303,000 (0.02%) |

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Compensation and Governance Committee
- (3) Member of the Technical Committee

Each nominee as director supplied the information concerning the number of Common Shares over which he exercises control or direction.

To the best of the Corporation's knowledge, after having made due inquiry, the Corporation confirms that no proposed director of the Corporation:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while that person was acting in that capacity:
 - (i) was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and
- (d) has, within the 10 years before the date hereof, been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, nor has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

2. Appointment of auditors

Shareholders are asked to vote for the appointment of PricewaterhouseCoopers LLP, a partnership of chartered professional accountants ("**PwC**") as independent auditors of the Corporation for the current financial year to hold office until the next annual meeting of shareholders of the Corporation and to authorize the directors to establish the auditors' compensation. PwC were initially appointed in 2005.

This proposal requires the approval of a majority of the votes cast by the holders of Common Shares present or represented by proxy, at the Meeting.

Unless such authority is withheld, the persons designated in the enclosed form of proxy will vote FOR the re-appointment of PricewaterhouseCoopers, LLP, as auditors of the Corporation, for the current financial year and the authorization to the directors to establish the auditors' compensation.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The information contained below is provided as required under Form 51-102F6V – Statement of Executive Compensation – Venture Issuers of *Regulation 51-102 respecting Continuous Disclosure Obligations*.

For the purposes of this Management Proxy Circular, “**Named Executive Officers**” of the Corporation means, at any time during the most recently completed financial year, the following persons:

- (a) the Chief Executive Officer;
- (b) the Chief Financial Officer;
- (c) the most highly compensated executive officer, other than the Chief Executive Officer and Chief Financial Officer at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the most recently completed financial year.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table details all compensation paid, made payable, awarded, granted, gave or otherwise provided for the two most recently completed financial years to all persons acting as Named Executive Officers and director of the Corporation for services provided or to be provided, directly or indirectly, to the Corporation or its subsidiaries. These amounts include the annual base salary and certain other forms of remuneration, the payment having been made or postponed.

| Table of Compensation excluding Compensation Securities | | | | | | | |
|--|---------------------|---|---------------------------|---|---|---|-------------------------|
| Name and Position | Year Ended Sept. 30 | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus ⁽²⁾ (\$) | Committee or Meeting Fees ⁽³⁾ (\$) | Value of Perquisites ⁽⁴⁾⁽⁵⁾ (\$) | Value of all Other Compensation ⁽⁶⁾ (\$) | Total Compensation (\$) |
| Gino Roger ⁽¹⁾ President, Chief Executive Officer and Director | 2023 | 296,875 | 55,000 | - | 19,800 | - | 372,230 |
| | 2024 | 311,250 | 60,000 | - | 19,800 | - | 391,050 |
| Ingrid Martin ⁽⁷⁾ Chief Financial Officer | 2023 | 119,798 | - | - | - | - | 119,798 |
| | 2024 | 111,438 | - | - | - | - | 111,438 |
| Mario Masson ⁽⁸⁾ Vice- President, Exploration | 2023 | 236,250 | 32,000 | - | - | - | 268,250 |
| | 2024 | - | - | - | - | - | - |
| Paul Archer Director | 2023 | - | - | 23,000 | - | - | 23,000 |
| | 2024 | - | - | 23,000 | - | - | 23,000 |
| René Branchaud ⁽⁹⁾ Former director | 2023 | - | - | 20,000 | - | - | 20,000 |
| | 2024 | - | - | 9,167 | - | - | 9,167 |
| Jean-Pierre Janson Director | 2023 | - | - | 27,000 | - | - | 27,000 |
| | 2024 | - | - | 27,000 | - | - | 27,000 |
| Annie Dutil Director | 2023 | - | - | 23,000 | - | - | 23,000 |
| | 2024 | - | - | 21,750 | - | - | 21,750 |
| Jean Des Rivières Director | 2023 | - | - | 20,000 | - | - | 20,000 |
| | 2024 | - | - | 20,000 | - | - | 20,000 |
| Simon Lussier Director | 2024 | - | - | 10,833 | - | - | 10,833 |

Notes:

- (1) Mr. Gino Roger is President and Chief Executive Officer of the Corporation and does not receive any director fees.
- (2) These amounts represent annual bonuses as more fully described under the heading “**Oversight and Description of Director and Named Executive Officer Compensation - Annual Incentive Compensation**” hereinafter.
- (3) Annual retainer and fees are payable to the directors of the Corporation on the following basis:
 - annual compensation of \$20,000 to each director who is not an officer of the Corporation;
 - annual compensation of \$7,000 is paid to the Chairman of the Board if he is not otherwise officer of the Corporation;
 - annual compensation of \$3,000 is paid to the Chairman of the audit committee; and
 - annual compensation of \$3,000 is paid to the Chairman of the technical committee and if he is not otherwise Named Executive Officer of the Corporation.
- (4) Value of perquisites is indicated only if such perquisites are not generally available to all employees of the Corporation, are not integrally and directly related to the performance of the Director or Named Executive Officer’s duties and that, in aggregate, are greater than: a) \$15,000, if the Named Executive Officer or Director’s total salary for the financial year is \$150,000 or less, b) 10% of the Named Executive Officer or Director’s salary for the financial year, if the Named Executive Officer or Director’s total salary for the financial year is greater than \$150,000 but less than \$500,000, or c) \$50,000, if the Named Executive Officer or Director’s total salary for the financial year is \$500,000 or greater.
- (5) These amounts represent the monthly allowances paid to Mr. Roger for the reimbursement of various fees as more fully described under the heading “**Oversight and Description of Director and Named Executive Officer Compensation - Benefits and Perquisites**” hereinafter.

- (6) The Corporation does not offer any pension plan or defined benefit or contribution plans in favor of its Named Executive Officers and directors.
- (7) The Chief Financial Officer receives her compensation through a Corporation controlled by her, Ingrid Martin CPA Inc. The amount disclosed is for professional fees from the Chief Financial Officer and does not include the fees of her support staff.
- (8) Mario Masson ceased to be Vice-President, Exploration on December 31, 2023.
- (9) René Branchaud ceased to be a director on February 15, 2024
- (10) Simon Lussier became a director on February 15, 2024.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each Corporation's Named Executive Officer and directors by the Corporation or its subsidiaries during the most recently completed financial year ended September 30, 2024 for services provided or to be provided, directly or indirectly, to the Corporation or its subsidiaries.

| Compensation Securities | | | | | | | |
|---|--|---|------------------------|--|---|---|---------------|
| Name and Position | Type of Compensation Security (1)(2)(3)(4)(5) | Number of Compensation Security, number of Underlying Securities, and Percentage of Class | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant ⁽⁶⁾ (\$) | Closing Price of Security or Underlying Security at Year End (\$) | Expiry Date |
| Gino Roger President, Chief Executive Officer and Director | Stock Options | 90,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |
| Ingrid Martin Chief Financial Officer | Stock Options | 50,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |
| Paul Archer Director | Stock Options | 50,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |
| Jean-Pierre Janson Director | Stock Options | 70,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |
| Annie Dutil Director | Stock Options | 60,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |
| Jean Des Rivières Director | Stock Options | 50,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |
| Simon Lussier Director | Stock Options | 100,000 | February 15, 2024 | 0.39 | 0.39 | 0.34 | Feb. 15, 2034 |

Notes:

- (1) As at September 30, 2024, the following persons held the following number of stock options to acquire as many Common Shares: Gino Roger: 775,000 options; Ingrid Martin: 450,000 options; Paul Archer: 415,000 options; Jean-Pierre Janson: 680,000 options; Annie Dutil: 260,000 options; Jean Des Rivières: 230,000 options; and Simon Lussier: 100,000 options.
- (2) The stock options have been granted pursuant to the Stock Option Plan (as defined hereinafter) of the Corporation as

more fully described under the heading "**Stock Option Plan and Other Incentive Plans - Stock Option Plan**" hereinafter.

- (3) None of the compensation securities have been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (4) As at September 30, 2024, of the 6,260,000 total outstanding options, 5,700,000 were convertible, exercisable and exchangeable without restrictions or conditions.
- (5) The options granted to the Named Executive Officers and directors of the Corporation vest in stages of 18 months from the day of grant, at a rate of 1/6 per quarter.
- (6) According to the Stock Option Plan, the purchase price of the Common Shares, upon exercise of each option granted, shall be a price fixed for such option by the Board of Directors or by the Committee upon grant of each such option, but such price shall not be less than the closing price of the Common Shares on the last trading day immediately prior to the grant.

No option was exercised by a Named Executive Officer or director of the Corporation during the most recently completed financial year ended September 30, 2024.

Stock Option Plan and Other Incentive Plans

Stock Option Plan

The Corporation has a stock option plan (the "Plan") pursuant to which options may be granted in favour of directors, officers, employees and consultants providing ongoing services to the Corporation. The number of options granted is determined by the Board of Directors. On December 8, 2022, the Board of Directors has increased to 8,200,000 the number of common shares reserved for issuance under the Corporation's fixed number Plan.

The exercise price, terms and conditions of the options are established, upon recommendation of the Compensation and Governance Committee, by the Board of Directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Corporation. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares listed on the TSX Venture Exchange on the day prior to their grant. The options granted may be exercised during a period not exceeding ten years. The options are non-transferable. For any option granted under the Stock Option Plan, the Board of Directors may, at its sole discretion, determine whether such option shall vest immediately or be subject to such vesting schedule as the Board of Directors may deem appropriate in the circumstances.

The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares, and the number of common shares reserved for issuance to all consultants and persons employed in investor relations activities on behalf of the Corporation will not exceed 2% of the issued and outstanding common shares.

As of the date hereof, 6,260,000 Common Shares are reserved for the exercise of options pursuant to the Stock Option Plan and 1,940,000 Common Shares remain available for issuance under the Stock Option Plan.

Employment, Consulting and Management Agreements with the Named Executive Officers

On January 1st, 2021, the Corporation entered into an amended employment agreement with Gino Roger, its President and Chief Executive Officer, which stipulates, among other things, a

base salary and provides that in the event of a termination without cause or of a change of control, Mr. Roger will be entitled to be paid a compensation equivalent to 24 months of salary.

On January 1st, 2015, the Corporation entered into a consulting agreement with Ingrid Martin CPA Inc., a professional services corporation of Ingrid Martin, the Corporation's Chief Financial Officer, which stipulates, among other things, a remuneration for consulting services rendered based on hourly rates and provides that in the event of a termination without cause or of a change of control, Ms. Martin will be entitled to be paid a compensation equivalent to 18 months of professional services fees.

Termination of employment without cause or change of control

| Named Executives | Severance Payments | Total Estimated Payments ⁽¹⁾⁽²⁾ |
|------------------|--------------------|--|
| Gino Roger | 24 months | \$630,000 |
| Ingrid Martin | 18 months | \$260,775 |

Notes:

- (1) As at September 30, 2024; including salary calculated on September 30, 2024 only.
- (2) For Ingrid Martin, the lump sum is equivalent to 18 months of professional services fees to be paid if the consulting agreement is terminated. Total professional services fees as per the September 30, 2024, consolidated financial statements were \$173,850.

Oversight and Description of Director and Named Executive Officer Compensation

Executive Officers

The Compensation and Governance Committee of the Corporation has the responsibility to recommend to the Board of Directors of the Corporation the compensation policy of the executive officers in order to make sure it is consistent with the Corporation's business plan, strategies and objectives. This Committee has, namely, the responsibility to analyse for the Board of Directors all questions relating to human resources planning, compensation for executive officers, directors and other employees, short- and long-term incentive programs, employee benefits programs, and recommends the appointment of executive officers. The Committee held two meetings during the financial year ended September 30, 2024.

As at September 30, 2024, the Compensation and Governance Committee of the Corporation is comprised of three members, namely Jean-Pierre Janson (chairman of the Committee), Paul Archer and René Branchaud, the latter two being independent. The Corporation considers that the public company board membership and management experience of the members of the Compensation and Governance Committee provides the members with appropriate experience and skills relevant to the responsibilities and ability to make decisions on the suitability of the Corporation's compensation policy and practices.

The compensation paid to executive officers has the following primary objectives:

- offer total compensation capable of attracting and retaining top level executive officers required to ensure the Corporation's short- and long-term goals and success; and

- motivate the executive officers in achieving and exceeding the goals of the Corporation and of its shareholders.

Compensation and Risk Management

Considering the size of the Corporation, the Compensation and Governance Committee and the Board of Directors have considered the implications of the risks associated with the Corporation's compensation policy and practices and decided they are not material.

No executive officer or director of the Corporation is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officers or directors.

Market Comparator and Positioning

The compensation is established in such a way to compensate the executive officers and other key employees considering the Corporation's objectives and performance. For the year ended September 30, 2020, the Committee retained an independent firm, Perrault Consulting, to prepare comparative market data and provide recommendations to the Committee. One of the objectives of the independent firm's mandate is to keep talent mobilized.

For the year ended September 30, 2020, the Committee determined the base salary paid to senior executives based on these recommendations. The market analysis included the following public companies (the "**Market Comparators**") evolving in the mining industry, with data available at the time of the analysis:

| Corporations | Size of Market Cap | Head office in Québec |
|--------------------------|--------------------------------|-----------------------|
| Aurion Resources Inc. | \$150,000,000 - <\$200,000,000 | No |
| Bonterra Resources Inc. | \$200,000,000 - <\$250,000,000 | No |
| Fury Gold Mines Limited | \$50,000,000 - <\$100,000,000 | No |
| EMX Royalty Corp. | \$150 000,000 - <\$200,000,000 | No |
| Exploration Azimuth Inc. | \$20,000,000 - <\$50,000,000 | Yes |
| Mirasol Resources Inc. | \$25,000,000 - <\$50,000,000 | No |
| Probe Metals Inc.. | \$100,000,000 - <\$150,000,000 | No |
| Ressources Cartier Inc. | \$25,000,000 - <\$50,000,000 | Yes |
| Strategic Metals Ltd. | \$25,000,000 - <\$50,000,000 | No |

Market Comparators have been selected considering criteria such as assets, annual revenue, comparable activities and publicly-traded.

There have been no changes for the year ended September 30, 2024 regarding the establishment of the compensation.

Components of the Compensation Policy

The compensation policy consists of the sum of

- base salary;
- annual incentive (bonus) compensation;
- long term incentive compensation; and
- benefits and perquisites.

Each of these elements, together with the Corporation's philosophy with respect to same, is hereinafter detailed.

Base Salary

The Corporation's base salary policy is to pay base salaries for executive officers that are equivalent of the Market Comparators. The salaries of the executive officers are reviewed and recommended for approval to the Board of Directors yearly by the Compensation and Governance Committee considering the individual performance and the Market Comparators. The base salary of the Chief Executive Officer stands at the second quartile of the Market Comparators while the base salary of the Vice-President, Exploration stands at the fourth quartile of the Market Comparators available. The Chief Financial Officer is a consultant of the Corporation.

Annual Incentive Compensation

The Corporation offers executive officers of the Corporation the possibility to earn an annual bonus provided the Corporation achieves or exceeds its annual objectives and provided the executive officer or employee achieves specific personal objectives.

The executive officers' bonus will be calculated based on the individual performance. The Compensation and Governance Committee may, from time to time, exercise its discretion to allow that the annual incentive compensation be varied on the overall performance of the Corporation and exceptional market conditions. The Compensation and Governance Committee also reserves the right to recommend to the Board of Directors to waive minimum requirements for the annual incentive compensation when exceptional strategic achievements that could increase the non-current value of the Corporation are realized during the year.

For the fiscal year ended September 30, 2024, the annual incentive compensation was based on known corporate or individual performance objectives.

Long Term Incentive Compensation

The establishment of a balance between short and long-term compensation is essential for the Corporation's performance. For this reason, the Corporation has adopted the Stock Option Plan in 2005 (as subsequently amended) allowing the grant of options to officers, directors, key employees and consultants of the Corporation. Reference is made to the description of such plan under the heading "**Stock Option Plan**" hereinabove.

In general, the Compensation and Governance Committee determines the number of options granted annually according to the level of responsibility and authority of each of the executive officers. The total amount of stock options issued over the past years is looked at but does not have a material impact on the number of options to be granted to the executive officers. The options are granted at market value at time of grant and may be exercised over ten years.

The purpose of the Stock Option Plan is to serve as an incentive for the directors, officers and consultants who will be motivated by the Corporation's success as well as to promote ownership of Common Shares by these people. There is no performance indicator relating to profitability or risk attached to the Stock Option Plan.

The long-term incentive compensation is not based on known or measured corporate or individual performance objectives but is determined in a view to improve the executive officers' salaries and to encourage the work of these persons towards an increase of shareholders value.

The Compensation and Governance Committee is responsible for the revision and recommendation to the Board of Directors of any required modifications to the Stock Option Plan.

Benefits and Perquisites

The Corporation's President and Chief Executive Officer benefits of monthly allowances for the purposes in particular, of personal insurance and car expenses. Such benefits and perquisites are designed to be competitive with the Market Comparators.

General

The compensation seeks to primary reward the superior performance through both individual and corporate results and the increased shareholder value. In reviewing executive officers compensation, the Compensation and Governance Committee will take into consideration numerous factors that are not easily measurable but which consider the individual performance, experience, integrity, peer appreciation and Market Comparators.

Directors

In general, the Board of Directors determines, upon recommendations of the Compensation and Governance Committee, the number of options granted annually to the directors without applying any known or measurable objectives. Criteria such as the Corporation's global performance are looked at in determining the number of options to be granted to the directors.

In 2019, the Compensation and Governance Committee retained the services of an independent firm, Perrault Consulting, to prepare comparative market data and provide recommendations to the Committee. As recommended by Perrault Consulting, the Board of Directors has decided to cease paying meeting fees and to adjust the amount of the annual retainer accordingly. Since January 1, 2020, each director and each member of a committee of the Board of Directors who is not an officer of the Corporation is receiving an annual retainer of \$20,000. The Chairman of the Board, which is not otherwise officer of the Corporation, is

receiving an annual retainer of \$7,000. The Chairman of the Audit Committee is receiving an annual retainer of \$3,000. The Chairman of the Technical Committee, which is not otherwise officer of the Corporation, is receiving an annual retainer of \$3,000.

Pension Plan Benefits

The Corporation does not offer any pension plan that benefits to any of its Named Executive Officers, nor to the directors of the Corporation.

Equity Compensation Plan Information⁽¹⁾

| Plan Category | Number of Common Shares to be Issued Upon Exercise of Outstanding Option | Weighted Average Exercise Price of Outstanding Options | Number of Common Shares Remaining Available for Future Issuance Under the Equity Compensation Plans |
|---|--|--|---|
| Equity Compensation Plans approved by the shareholders ⁽²⁾ | 6,260,000 | 0.75 | 1,940,000 |
| Equity Compensation Plans not approved by the shareholders | - | - | - |
| Total: | 6,260,000 | 0.75 | 1,940,000 |

Notes:

(1) As of September 30, 2024.

(2) Please refer to the description of the Stock Option Plan of the Corporation as more fully described under the heading “**Stock Option Plan and Other Incentive Plans - Stock Option Plan**” hereinabove.

Indebtedness to the Corporation of Directors and Executive Officers

As of the date hereof, no amounts are owed to the Corporation by any director, executive officer, employees or any former director, executive officer or employee of the Corporation or any of its subsidiaries, or any proposed director of the Corporation or associate of the foregoing. During the fiscal year ended September 30, 2024, the Corporation did not grant any loan.

Interest of Informed Persons in Material Transactions

To the knowledge of the Corporation, no director, executive officer or proposed director, or any other insider of the Corporation or person associated or affiliated to said officials has any material interest, direct or indirect, in a transaction having been concluded since the beginning of the most recently completed financial year or in any proposed transaction that has or would affect in a material manner the Corporation.

Directors’ and Officers’ Liability Insurance

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities. The policy contains standard industry exclusions, and no claims have been made thereunder to date. The premium is \$24,000 for coverage of \$5,000,000.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee has a formal charter, the text of which is attached to this Management Proxy Circular as Schedule A. The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee after careful consideration of *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”) of the Canadian Securities Administrators and other applicable policies.

Composition of Audit Committee

| Name | Independent | Financially Literate |
|---------------------|-------------|----------------------|
| Annie Dutil (Chair) | Yes | Yes |
| Jean-Pierre Janson | No | Yes |
| Jean Des Rivières | Yes | Yes |

The Audit Committee is comprised of three directors, a majority of which being independent, as prescribed under Regulation 52-110. All the members of the Committee are “financially literate” and have the ability to read and understand a set of financial statements.

Relevant Education and Experience

The education and experience of each Audit Committee member has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles used by the Corporation to prepare its consolidated financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issued that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s consolidated financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

Annie Dutil is a member of the Ordre des comptables professionnels agréés du Québec (Québec CPA Order) and was Vice President and corporate controller at Nomad Royalty Company Ltd until 2022. Prior to joining Nomad Royalty Company, Ms. Dutil has held a number of positions at PwC from 2004 to 2020, including a role of director where she has led the Capital Markets and Accounting Advisory Services group in Montréal. Ms. Dutil has over 15 years of progressive experience in the mining industry, specifically in the areas of public accounting, compliance with financial information obligations and regulatory matters. Ms. Dutil is also a founding member of Women In Mining Montréal.

Jean-Pierre Janson is an advisor for Richardson Wealth Limited since 2019. He has been Managing Director, National Wealth Management, at Richardson GMP Limited from 2005 until 2019. Over the previous 25 years, Mr. Janson has acted as Managing Director of CIBC Wood Gundy Financial Services (Québec) Inc. (Eastern Canada) and held senior management positions with Merrill Lynch Canada Inc. and Midland Walwyn Inc. He also acts as director of

NewOrigin Gold Corp since May 2004 and as trustee of BTB Real Investment Trust since September 2007. In addition, he serves as a director of SIDEX Limited Partnership and Harfang Exploration Inc.

Jean Des Rivières is a director of First Majestic Silver Corp., corporation engaged in mineral exploration, development and exploitation of mineral resources since 2021. He was the Vice President Metals Exploration of BHP Group, a mining corporation producing iron, copper, uranium, coal, oil and gaz from 2013 to 2020. He previously held technical and management positions at BHP, Rio Algom Ltd and Noranda Inc., other mining companies.

During the last fiscal year, the Audit Committee met three times. At least two of the members, which constitute the required quorum, attended these meetings.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in Section 2.4 of Regulation 52-110 (*De Minimis Non-Audit Services*) or any exemption, in whole or in part, provided by Parts 6 and 8 of Regulation 52-110, other than the exemption granted to venture issuers under Section 6.1 of Regulation 52-110, which exempts issuers whose shares are listed only on the TSXV from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

The Audit Committee approves the engagement terms for all audit and non-audit services to be provided by the Corporation's accountants before such services are provided to the Corporation. The Corporation has not adopted any specific policies or procedures for the engagement of non-audit services other than the pre-approval by the Audit Committee.

External Auditor Service Fees

The fees charged to the Corporation by its external auditor in each of the last two fiscal years are as follows:

| | 2024 Financial year | 2023 Financial year |
|-----------------------------------|----------------------------|----------------------------|
| Audit Fee ⁽¹⁾ | \$64,862 | \$72,120 |
| Audit-Related Fees ⁽²⁾ | - | - |
| Tax Fees ⁽³⁾ | \$12,171 | \$7,632 |
| All Other Fees | - | - |
| Total | \$77,033 | \$79,752 |

Notes:

- (1) Audit fees include fees for services related to the audit of the Corporation's consolidated financial statements or other services that are normally provided by the external auditors in connection with statutory or regulatory filings or engagements. These fees also include fees for comfort letters, statutory audits, attest services, consents and assistance with the preparation and review of documents filed with regulators, as well as in connection with the interpretation of accounting and financial reporting standards.
- (2) Audit-related fees include assurance and related services that are performed by the Corporation's external auditors. These services also include accounting consultations in connection with acquisitions and divestitures and internal control reviews.
- (3) Tax fees include fees for assistance with tax planning, during restructurings and when taking a tax position, as well as preparation and review of income and other tax returns, sales tax and tax opinions.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to enhance shareholder value. The Board of Directors is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in Policy Statement 58-201 - *Corporate Governance Guidelines* of the Canadian Securities Administrators.

The Corporation's disclosure of corporate governance practices pursuant to *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* is set out in Schedule B to this Management Proxy Circular in the form required by Form 58-101F2.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended September 30, 2024 a copy of which may be obtained on request to Gino Roger, President and Chief Executive Officer, 132, boul. Labelle, bureau 220, Rosemère, Québec, J7A 2H1. The Corporation may require the payment of a reasonable charge when the request is made by someone other than a shareholder.

APPROVAL OF CIRCULAR

The Board of Directors of the Corporation has approved the contents of the Management Proxy Circular and its sending to the shareholders.

Montréal, Québec, January 3, 2025.

MIDLAND EXPLORATION INC.

Per: (s) Gino Roger
Gino Roger, President and Chief Executive
Officer

SCHEDULE A

AUDIT COMMITTEE CHARTER

MIDLAND EXPLORATION INC. (the "Corporation")

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees ("52-110")*.

1. COMPOSITION

The Committee shall be comprised of at least three directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee shall be financially literate.

For the purposes of this charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The appointment of members to the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors.

Unless a chairman is appointed by the Board, the members of the Committee may designate a chairman by a majority vote of all Committee members.

2. MEETINGS AND PROCEDURES

The Committee shall meet at least annually, or more frequently if required.

At all meetings of the Committee, every item brought to resolution shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman shall not be entitled to a second vote.

Quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.

Each member (including the chairman of the Committee) is entitled to one vote in Committee proceedings.

The Committee may meet separately with senior management and may request that any member of the Corporation's senior management or the Corporation's outside counsel or independent auditors to attend meetings of the Committee or other meetings with any members of, or advisors to, the Committee.

Furthermore, the Committee has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate.

The Committee shall, at the meeting of the Board following its own meeting, report to the directors on its work, activities and recommendations.

3. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

3.1 Financial Statements and Disclosure Matters

- 3.1.1 review the Corporation's financial statements, management's discussion and analysis and any press releases regarding annual and interim (as required by the Board) profit or loss, before the Corporation publicly discloses such information;

3.2 Independent Auditors

- 3.2.1 recommend to the Board the selection and, where applicable, the replacement of the independent auditors to be appointed annually as well the compensation of such independent auditors;
- 3.2.2 determine that the independent auditors appointed are a Public Accounting Firm that has entered into a Participation Agreement as such terms are defined in *Regulation 52-108 respecting Auditor Oversight* and that at the time of their report on the annual financial statements of the Corporation, they are in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board;
- 3.2.3 oversee the work and review annually the performance and independence of the independent auditors;
- 3.2.4 on an annual basis, review and discuss with the independent auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- 3.2.5 consult with the independent auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- 3.2.6 review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation;
- 3.2.7 review the audit plan for the year-end financial statements and intended template for such statements;

- 3.2.8 review and pre-approve all audit and audit-related services and the fees and others compensations related thereto, as well as any non-audit services provided by the independent auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
- 3.2.8.1 the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 10% of the total amount of fees paid by the Corporation and its subsidiary entities to its independent auditors during the fiscal year in which the non-audit services are provided;
 - 3.2.8.2 such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
 - 3.2.8.3 such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

3.3 Financial Reporting Processes

- 3.3.1 review with management, in consultation with the independent auditors, the integrity of the Corporation's financial reporting process, both internal and external;
- 3.3.2 consider the independent auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- 3.3.3 consider and report to the Board changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors and management;
- 3.3.4 review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements;
- 3.3.5 review, with the independent auditors and management, the extent to which changes and improvements in financial or accounting practices have been implemented;
- 3.3.6 establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.4 Risk Management

- 3.4.1 oversee the identification, prioritisation and management of the risks faced by the Corporation;

- 3.4.2 direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks;
- 3.4.3 monitor the changes in the internal and external environment and the emergence of new risks;
- 3.4.4 review the adequacy of insurance coverage;
- 3.4.5 monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosure represent a risk for the Corporation.

3.5 Whistleblowing Policy

- 3.5.1 monitor and review compliance with the Corporation's Whistleblowing Policy;
- 3.5.2 establish a procedure for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.6 Reporting Responsibilities

- 3.6.1 the Committee shall report to the Board on a regular basis, and in any event:
 - 3.6.1.1 at least annually, with an assessment of the performance of management in the preparation of financial statements and Auditors in conducting the annual audit of the Corporation and discuss the report with the full Board following the end of each fiscal year;
 - 3.6.1.2 before the public disclosure by the Corporation of its financial statements, management's discussion and analysis and any press releases regarding annual and interim profit or loss and any reports or other financial information which are submitted to any governmental body or to the public; and
 - 3.6.1.3 as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

3.7 Annual Evaluation

- 3.7.1 annually, the Committee shall, in a manner it determines to be appropriate:
 - 3.7.1.1 conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter; and
 - 3.7.1.2 review and assess the adequacy of this charter and the position description for the chairman of the Committee and recommend to the Board any improvements to this charter or the position description that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.

SCHEDULE B

CORPORATE GOVERNANCE

MIDLAND EXPLORATION INC. (the “Corporation”)

The board of directors has carefully reviewed the corporate governance guidelines of Policy Statement 58-201 to *Corporate Governance Guidelines. Regulation 58-101 respecting Disclosure of Corporate Governance Practices (“Regulation 58-101”)* of the Canadian Securities Administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. Those practices are as follows.

Board of Directors

The board delegates to management the responsibility for the development of these strategies and holds itself responsible for the approval of the strategies finally adopted. In addition to those matters which must by law be approved by the board, management is required to seek board approval for significant acquisitions, divestitures and capital expenditures. Other matters of strategic importance to the Corporation or which impact significantly on the operations of the Corporation are brought to the board’s attention for its input, consideration and approval.

The board oversees the identification of the principal risks of the Corporation’s business and the implementation by management of appropriate systems to manage such risks. The board reviews from time-to-time organizational matters such as succession planning. Given current management’s tenure, their vast experience and low turnover, succession planning is not seen as critical at the present time by the board.

The following directors are “independent” pursuant to Regulation 58-101 in that they are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding: Paul Archer, Jean Des Rivières, Annie Dutil and Simon Lussier.

Gino Roger, President and Chief Executive Officer of the Corporation and Jean-Pierre Janson, chairman of the Board of directors, are not independent directors of the Corporation, as they are officers of the Corporation.

The independent directors hold meetings occasionally without the attendance of the not independent directors and the executive officers.

Directorships

The following directors of the Corporation are currently directors of other reporting issuers, as follows:

| Director | Reporting Issuers |
|--------------------|---|
| Jean-Pierre Janson | BTB Real Estate Investment Trust, NewOrigin Gold Corp. and Harfang Exploration Inc. |

Orientation and Continuing Education

The board of directors of the Corporation takes the following steps to ensure that all new directors receive orientation regarding the role of the board, its committees and its directors, and the nature and operation of the Corporation.

Reports and other documentation relating to the Corporation's business and affairs are provided to new directors.

Orientation and education of directors is an ongoing matter. As such, ongoing informal discussions between management and members of the board are encouraged and visits to the Corporation's operations are organized.

Ethical Business Conduct

The Corporation is committed to promote the highest standard of ethic and integrity in the pursuance of all of its activities.

Furthermore, the directors, officers and employees of the Corporation are expected to act and to hold their office within the best interests of the Corporation. The Corporation expects that all directors shall act in compliance of all laws and regulations applicable to their office as director of the Corporation.

In the event any transactions or agreements occur in respect of which a director or executive officer has a material interest, the matter must be initially reviewed by the Audit Committee and is then submitted to the board of directors. The board may implement any measures that it finds necessary in order to ensure the exercise of independent judgment. In the event a director has a material interest in any transaction or agreement, such director will abstain from voting in that regard.

Nomination of Directors

The board of directors of the Corporation does not feel it is necessary to increase the number of directors on the board at this time.

The Chairman of the board and President of the Corporation seeks qualified candidates to be considered for nomination as directors. Proposed nominations are subject to review and approval by the board.

Any new appointees or nominees to the board of directors must have a favourable track record in general business management, special expertise in areas of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as a director.

Compensation

On an annual basis, the Compensation and Governance Committee evaluates the adequacy of compensation of the directors and executive officers. After sufficient review and analysis, the Compensation and Governance Committee recommends the remuneration of the directors and executive officers to the board for approval.

Other Board Committees

In addition to the Audit Committee and the Compensation and Governance Committee, the board has created a Technical Committee, which is composed of Paul Archer, Gino Roger and Jean Des Rivières.

The Compensation and Governance Committee has the mandate to monitor the implementation and management of such actions or measures, or of corporate policies and guidelines adopted by regulatory authorities or the board. It is also responsible for establishing practices which must be followed and should be in line with corporate governance rules and guidelines in effect from time to time by relevant authorities. The committee is also responsible for recommending to the board in the assessment of the performance of senior officers, of the board and its committees and of individual directors.

Assessments

The board of directors of the Corporation has not established any formal procedures for assessing the performance of the board or its committees and members. Generally, those responsibilities have been carried out on an informal basis by the Compensation and Governance Committee.