

Midland Exploration Inc.

Management's Discussion and Analysis

December 31, 2008

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The following discussion and analysis (the "MD&A") of the financial condition and results of the operations of Midland Exploration Inc. ("Midland" or "the Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three-month period ended December 31, 2008. This MD&A should be read in conjunction with the Company's financial statements and related notes as at December 31, 2008. All figures are in Canadian dollars unless otherwise noted. The Company's financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

Nature of activities

The Company, incorporated on October 2, 1995 under Part IA of the Quebec Companies Act, is a company in the mining exploration business. The Company's operations include the acquisition, exploration, production, development and, where possible, operating of mining properties.

Overall performance

Midland has a working capital of \$3,074,012 as of December 31, 2008 (\$3,288,343 as of September 30, 2008) which will allow the Company to execute its exploration program for at least the next three years.

The Company recorded \$140,273 in exploration during the three-month period ended December 31, 2008 ("Q1-09") compared to \$272,669 in the three-month period ended December 31, 2007 ("Q1-08"). In addition, the Company invested \$18,026 in Q1-09 (\$68,935 in Q1-08) in property several acquisitions in Quebec.

In December 2008, the Company issued \$415,000 of flow-through shares following a private placement.

The Company reported a loss of \$134,826 in Q1-09 compared to a loss of \$99,720 in Q1-08.

Results of operations

Expenses have decreased from \$192,897 in Q1-08 to \$159,483 in Q1-09 mainly due to stock-based compensation that decreased from \$56,357 in Q1-08 to \$5,000 in Q1-09. On October 2, 2008, the president's contract (note 6c) was modified to extend by one year the period where the president will be able to exercise de 250,000 options granted by two shareholders at \$0.25, which is 50% of the initial public offering price. Total stock-based compensation costs for the extension of these options amount to \$5,000 for an estimated fair value of \$0.02 per option. Details on the Q1-08 stock-based compensation can be found in the September 30, 2008 financial statements.

Interest revenues decreased from \$37,748 in Q1-08 to \$21,679 in Q1-09, due primarily to reduced interest rates obtained on investments.

Project management fees revenues decreased from \$39,843 in Q1-08 to \$2,978 in Q1-09. In the fall 2007, Midland was very active on the Weedon and Gatineau projects. But following the deteriorating market conditions, Breakwater notified Midland in September 2008 it's intent not to pursue the option agreement and consequently the project management fees revenues decreased.

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Investing activities

Deferred exploration expenses Q1-09	Maritime Cadillac	Vermilion	Weedon	James Bay Au	James Bay Mo	James Bay U	Gatineau Zn	Abitibi Au	Project generation	Total
	\$	\$	\$	\$						\$
Balance beginning	156 269	306 008	57 770	65 652	47 839	7 464	22 297	1 075	59 609	723 983
Geophysics	-	-	-	528	-	-	12 700	-	2 732	15 960
Geology	500	116	16 412	32 566	-	4 606	23 162	11 289	16 190	104 841
Geochemistry	-	-	1 977	17 495	-	-	-	-	-	19 472
	500	116	18 389	50 589	-	4 606	35 862	11 289	18 922	140 273
Stock-based compensation	-	-	1 013	-	-	-	676	-	-	1 689
Recharge	-	-	(2 420)	(45 685)	-	1 125	-	-	-	(46 980)
Net addition	500	116	16 982	4 904	-	5 731	36 538	11 289	18 922	94 982
Tax credits	(394)	-	(7 883)	(2 261)	-	(2 642)	(18 525)	(5 912)	(9 222)	(46 839)
Net change	106	116	9 099	2 643	-	3 089	18 013	5 377	9 700	48 143
Balance end	156 375	306 124	66 869	68 295	47 839	10 553	40 310	6 452	69 309	772 126

Deferred exploration expenses Q1-08	Maritime Cadillac	Vermilion	Weedon	James Bay Au	James Bay Mo	James Bay U	Gatineau Zn	Project generation	Total
	\$	\$	\$	\$					\$
Balance Beginning	153,349	286,835	48,922	37,931	10,491	7,222	42,363	16,041	603,154
Geophysics	-	275	90,416	-	-	-	-	-	90,691
Geology	-	2,870	40,008	4,830	863	6,543	25 128	14,996	95,238
Geochemistry	-	1,276	-	-	-	-	75,160	-	76,436
Logistic	-	-	1,500	-	-	-	-	-	1,500
Analysis	-	-	-	-	-	-	-	111	111
Travelling	-	-	841	-	-	348	6,752	-	7,941
Management fees	-	752	-	-	-	-	-	-	752
	-	5,173	132,765	4,830	863	6,891	107,040	15,107	272,669
Stock-based compensation	164	6,261	6,493	1,647	494	330	3,174	494	19,057
Recharge	-	-	(132,765)	(1,572)	-	(863)	(105,440)	-	(240,640)
Net addition	164	11,434	6,493	4,905	1,357	6,358	4,774	15,601	51,086
Tax credits	-	(2,214)	-	(1,502)	(398)	(2,779)	(685)	(6,466)	(14,044)
Disposal	-	-	-	-	-	(10,801)	-	-	(10,801)
Net change	164	9,220	6,493	3,403	959	(7,222)	4,089	9,135	26,241
Balance end	153,513	296,055	55,415	41,334	11,450	-	46,452	25,176	629,395

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

Investing activities (cont'd)

Maritime-Cadillac

Property Description

The property is located in the Abitibi region in Quebec, along the Cadillac break and is composed of 7 claims.

On January 6, 2005, the Company entered into an agreement for the acquisition of a mineral exploration property owned in part by an officer of the Company and known as Maritime-Cadillac, for the following consideration:

- Five annual payments of \$30,000 each for a total of \$150,000; the Company has the option to pay half of this amount by the issuance of common shares of its capital stock. As of September 30, 2008, \$120,000 was paid;
- Issuance of 2,400,000 common shares recorded at a price of \$0.10 per share; the transaction was recorded at the fair value of the common shares handed over at such date. The fair value of the common shares was determined based on the latest issuance of shares;
- Payment of a 2% net smelter return royalty; the Company can buy back half of the royalty for a payment of \$1,000,000.

On March 7, 2006, an amendment to the agreement acknowledged that the Company will not have to retrocede the property if the Company ceases to carry out exploration work on it.

On June 1, 2006, the Company entered into an option agreement with Agnico-Eagle Mines Limited ("Agnico-Eagle") whereby Agnico-Eagle was offered the right to earn a 50% undivided interest in the Maritime-Cadillac property and, after having earned such interest, to participate with Midland in a joint operation to further explore and develop the property. The consideration is:

- Four annual payments of \$25,000 each for a total of \$100,000. As of September 30, 2008, \$75,000 was received;
- A commitment to carry out work in the amount of \$300,000 the first year, \$300,000 the second year and \$400,000 for the third year for a total of \$1,000,000;
- Agnico-Eagle is the operator of the project; and
- Commitment from Agnico-Eagle to contribute 9.9% up to a maximum of \$200,000 of Midland's initial public offering if it was completed before December 31, 2007. Agnico-Eagle did effectively contribute \$200,000 in the March 2, 2007 IPO.

Following the acquisition of a 50% undivided interest upon exercising its option, Agnico-Eagle will have the option to increase its undivided interest in the Property from 50% to 65% during a period of 3 years by solely financing a bankable feasibility study in respect of the Maritime-Cadillac property or by solely assuming all mining operations on the Maritime-Cadillac Property, earning 1% additional interest for every \$1,000,000 spent on the Maritime-Cadillac Property (up to 15% by spending \$15 million).

Exploration work on the property

In Q1-09, no work exploration was completed on the Maritime Cadillac property. However, a drill proposal consisting in six (6) holes totalling 3,550 meters was submitted by Agnico-Eagle to Midland. The main objectives of this program is to test the depth and lateral extensions of the Maritime East Contact structure intersected during 2008 as well as to test the new Dyke East and Dyke West structures discovered at shallow depths during the last drilling program. This new drilling program started in January 2009.

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Investing activities (cont'd)

Weedon

Property Description

This property is located in the Eastern Townships, about 120 km south of Quebec City and is now comprised of 355 claims.

Midland acquired a 100% interest in the Weedon property, formerly held by the privately owned company Les Ressources Tectonic Inc. ("Tectonic") and also acquired 301 claims, whereby Midland now covers and controls more than 30 kilometres in the Ascot-Weedon volcano-sedimentary belt. On March 6, 2007, the Company acquired a 100% interest in the claim block held by Tectonic, in exchange for 3 payments totalling \$60,000, including \$15,000 upon signing the agreement. As of September 30, 2008, \$35,000 was paid. Midland has also agreed to pay a net smelter return (NSR) royalty of 1% to Tectonic in the event the property reaches commercial production. Midland can buyback the royalty interest, in total or in two parts of 0.5% each, upon payment to Tectonic of \$500,000 per 0.5%, for a total amount of \$1,000,000. In addition, 84 adjoining claims staked by Midland are subject to a 0.5% royalty, and Midland can buy back this royalty for \$500,000.

Exploration work on the property

On September 19, 2008, due to deteriorating market conditions, Breakwater had to reduce its exploration spending and notified Midland of its intention not to pursue the option agreement signed on August 24, 2007.

During Q1-09, exploration work on the Weedon property consisted mainly in continuing the compilation of the drill hole database as well as in the construction of a longitudinal section at the property scale. Several new drilling targets have also been generated in the Lingwick deposit area and those targets have been integrated into a summary document to be presented to possible new partners. The new drilling targets totalize approximately 2,000 meters of drilling. Three (3) new claims in the Fontainebleau and Cupra areas have been staked and are now owned at 100% by Midland.

James Bay Gold (Au)

Property Description

The property is located in the James Bay region and is composed of 1241 claims.

Midland acquired a 100% interest on 1241 claims in the James Bay Area, an area that has the potential to soon become a significant new gold producer in Quebec after the Abitibi Belt. These new claims totalling 589 km² are wholly owned by Midland.

On February 1, 2008, Midland signed an option agreement with Agnico-Eagle whereby Agnico-Eagle can acquire 50% of the James Bay Gold property subject to the following conditions:

	Payments in cash	Work commitments
	\$	\$
Upon signing of a formal agreement	50,000	-
February 1, 2009	60,000	600,000
February 1, 2010	60,000	900,000
February 1, 2011	60,000	1,300,000
February 1, 2012	70,000	1,700,000
Total	300,000	4,500,000

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Investing activities (cont'd)

- Only the \$50,000 cash payment upon signing and the first-year work commitment for \$600,000 are firm commitments.
- The Company is the operator and therefore charges project management fees and receives from time to time advance payments for exploration work.
- Upon acquiring a 50% interest, Agnico-Eagle will have the option to increase its undivided interest in the project from 50% to 65% over a period of three years, by solely financing a bankable feasibility study on the James Bay Gold project or by solely assuming all mining operations on the project, earning 1% additional interest for every \$1,000,000 spent on the property (up to 15% by spending \$15 million).

Exploration work on the property

The first year exploration with Agnico-Eagle on the James Bay gold properties has been very successful in finding several new gold bearing outcrops with values as high as **9.1 g/t Au**. Prospecting along aeromagnetic anomalies high has led also to the discovery of a significant new base metal and precious metal showing returning **6.1% Cu, 0.26 g/t Au and 30.8 g/t Ag**. Elsewhere on the properties, prospecting and reconnaissance mapping has identified other anomalous gold-bearing outcrops and boulders which require further investigation. More prospecting and sampling is anticipated in 2009.

These new diverse mineral discoveries clearly demonstrate the significant potential for finding orogenic gold and gold-rich volcanogenic massive sulphide deposits in the Lac Trieste and Lac Duhesme greenstone belts covered by the Midland properties. Midland is very encouraged by these results that warrant additional work in the form of ground geophysics, stripping and channel sampling, detailed geochemistry and diamond drilling.

In conjunction with the prospecting program, Midland has collected 317 basal till samples in order to discover new gold sources on the Lasalle and Galinée claim blocks to explain known first-order gold, arsenic and antimony lake-bottom anomalies that were historically found. The till samples were sent to ExploLab Inc. in Val-d'Or for preparation, where the heavy fractions will be separated from the lights.. Initially a set of 88 concentrates were sent to ALS Chemex in Val-d'Or for analysis. Among them ten till samples returned anomalous gold values ranging from 50 to 1850 ppb Au in both Lasalle and Galinée claim blocks. The rest of the concentrate preparation was completed in mid December and the remaining 228 samples were sent to ALS Chemex for analysis. It is anticipated that this work will be successful in identifying new gold targets that will be followed up during the summer of 2009.

During the quarter, a winter exploration program has been lay out and presented to Agnico-Eagle to further evaluate the precious and base metal targets identified during the 2008 field season. Prior to 2009 spring break-up, the program will include more than 75 kilometres of line cutting, 77 kilometres of magnetometric survey, 30 kilometres of HLEM and 27 kilometres of IP surveys over 5 grids, respectively 3 on Lasalle and 2 on Galinée properties.

The exploration budget in Fiscal 2009 for James Bay Gold is \$900,000 for Agnico-Eagle.

James Bay Uranium (U)

Property Description

The property is located in the James Bay region and is composed of 320 claims.

On November 12, 2007, the Company signed a letter of agreement with a partner whereby the partner can acquire 50% of the James Bay U property. On April 1, 2008, an amendment to the letter of agreement and an assignment of rights was signed, whereby Quest Uranium Corporation ("Quest") substituted the original partner and can acquire 50% of the James Bay U property subject to the following conditions:

Investing activities (cont'd)

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	Payments in cash	Work commitments
	\$	\$
Upon signing	40,000	-
April 1, 2009	40,000	300,000
April 1, 2010	40,000	400,000
April 1, 2011	40,000	700,000
April 1, 2012	40,000	1,000,000
Total	<u>200,000</u>	<u>2,400,000</u>

Only the \$40,000 cash payment upon signing and the first year-work commitment for \$300,000 are firm commitments. Quest is the project operator.

On September 16, 2008, the Company elected to purchase a 50% interest in the Bawolak property, subject to a payment of \$27,250 in cash on the date of the election and of \$27,250 in cash on the first anniversary.

In August 2008, Quest signed an option agreement with a third party to acquire a 100% undivided interest in the Bawolak property, subject to the following conditions:

- Cash payments of \$80,000, \$40,000 on signing and \$40,000 on the first anniversary;
- Issuance by Quest of 200,000 shares, 100,000 on signing and 100,000 on the first anniversary;
- Grant of a 2% NSR royalty to the vendors, of which 1.5% can be bought back for \$1,500,000.

Exploration work on the property

In 2008, results of prospecting over the Sannon-Seggau properties returned extremely high uranium **grades of up to 25.41% U₃O₈** from grab sampling of newly discovered uraniferous boulders and from historical trenches observed on the claims. Additional samples from the area are currently in the lab and will be reported on soon.

During Q1-09, compilation of the summer exploration data continued. Additional high-level interpretation of the airborne geophysical data has currently been contracted out with the goal of identifying high-potential uranium targets for a 2009 diamond drilling program.

The exploration budget in Fiscal 2009 for James Bay Uranium is \$400,000 for Quest.

Gatineau Zinc (Zn)

Property Description

Midland acquired a 100% interest in a large land position for zinc, including 19 new properties covering 347.6 km² distributed in the Gatineau Area, approximately 200 kilometres northwest of the city of Montreal.

Exploration work on the property

On September 19, 2008, due to deteriorating market conditions, Breakwater had to reduce its exploration spending and notified Midland of its intention not to pursue the option agreement signed on August 24, 2007.

Investing activities (cont'd)

During the last quarter, our geophysicist consultant has completed the final interpretation using the TAU calculation and the leveled magnometric data in order to select the best targets for either ground geophysics or direct diamond drilling follow-up. In general based on the TAU value, the conductors found in the vicinity of Leitch and Bouchette are medium to strong in intensity. About 30% of the selected conductors were properly modelised and could be followed up by direct diamond drilling. The other selected targets could not be adequately resolved due to nearby cultural conductors or interference between multiple conductors. To better spatially locate those conductors, ground multi-directional (X-Y and Z components) deep-em surveying is recommended.

Review of the reconnaissance Lac Wallace VTEM data identified two conductive trends within the central portion of the property. One of these trends coincides with the Racine Showing and a first order soil geochemical anomalie (619 ppm Zn and 76 ppm Pb). The Racine Showing consists of sphalerite mineralization in a biotite gneiss close to the contact between a siliceous gneiss and a marble. Historical channel sampling across this marble unit returned 0.47% Zn over 6.7m including 1.6% Zn over 1.1m. A selected grab sample coming from the siliceous gneiss containing 10% Po returned 5.5% Zn. These new trends are considered to be priority targets and warrant further follow-up.

The exploration budget in Fiscal 2009 for Gatineau Zinc is \$125,000 for Midland until the signature of a new partnership agreement on the project.

Abitibi Gold (Au)

Exploration work on the project

During Q1-09, Midland has continued to acquire new 100% owned claims for its gold projects in the Abitibi. So far, a detailed compilation of all the historical works has been completed on two blocks of claims for which Midland intends to follow its business model and will try to find new partners. Regional target generation and compilation at the Abitibi scale are ongoing and Midland plans to acquire new other favourable areas in early 2009.

The exploration budget in Fiscal 2009 for Abitibi Gold is \$200,000 for Midland.

Project Generation

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

The exploration budget in Fiscal 2009 for project generation is \$75,000 for Midland.

Other Activities

For Fiscal 2009, Midland intends to be pro-active in the acquisition of new mineral exploration properties in Quebec. Management is currently reviewing other opportunities and other projects to enhance the portfolio of the Company.

Acquisition opportunities outside of Quebec will also be considered. Midland prefers to work in partnership and fully intends to quickly secure new partnerships for its properties.

Financing activities

The Company finances itself mainly through share issuance.

On December 24, 2008, the Company completed a private placement of 830,000 flow-through common shares for a total cash consideration of \$415,000.

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Working capital

The Company has a working capital of \$3,074,012 as at December 31, 2008 as compared to a working capital of \$3,288,343 as of September 30, 2008. Management is of the opinion that it will be able to maintain the status of its current exploration obligations and to keep its properties in good standing. Advanced exploration of some of the mineral properties would require substantially more financial resources. In the past, the Company has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also elect to advance the exploration and development of mineral properties through joint-venture participation.

Summary of results per quarters

For the eight most recent quarters:

	<u>December 31 2008</u>	<u>September 30 2008</u>	<u>June 30 2008</u>	<u>March 31 2008</u>
	\$	\$	\$	\$
Revenues	24,657	74,578	71,113	64 517
Net loss	(134,826)	(43,200)	(100,678)	(174 463)
Loss per share	(0.01)	-	(0.01)	(0.01)
Total assets	4,873,772	4,921,859	4,872,091	4 636 930
	<u>December 31 2007</u>	<u>September 30 2007</u>	<u>June 30 2007</u>	<u>March 31 2007</u>
	\$	\$	\$	\$
Revenues	93,177	56,904	36,768	11,825
Net earnings (loss)	(99,720)	(100,980)	(187,316)	(21,484)
Loss per share	(0.01)	(0.01)	-	(0.01)
Total assets	4,780,495	5,043,245	4,524,399	4,601,931

Related party transactions

In the normal course of operations for the three-month period ended December 31, 2008:

- a) A firm in which René Branchaud (Director and Secretary) is a partner charged professional fees amounting to \$23,528 (\$8,400 for the period ended December 31, 2007);
- b) A company controlled by Ingrid Martin (Chief Financial Officer) charged professional fees of \$19,500 (\$16,000 for the period ended December 31, 2007);
- c) As at December 31, 2008, the balance due to the related parties amounted to \$30,858 (as at December 31, 2007, \$5,996).

Not in the normal course of business:

- d) In December 2008, directors and officers of the Company participated in private placements of flow-through shares (note 4ai) for a total consideration of \$105,000 (\$104,600 in December 2007).

These related party transactions were recorded at the exchange value, which is the consideration determined and agreed to by the related parties.

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Subsequent events

The Company has no subsequent events to report.

Outstanding share data

	As of February 19 2009
	<u>Number</u>
Common shares	21,636,546
Options	<u>1,450,000</u>
	<u>23,086,546</u>

Off-balance sheet arrangements

During Q1-09, the Company did not set up any off-balance sheet arrangements.

Critical accounting estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas where management judgement is applied are asset valuations, stock-based compensation and future income taxes. Actual results could differ from those estimates and such differences could be material.

Mining assets

Exploration properties include rights in mining properties and deferred exploration expenses. Expenditures incurred on non-producing properties identified as having development potential are deferred until the economic viability of the project has been established, at which time these costs are added to mining properties. Costs are written off when properties are abandoned or when cost recovery is uncertain. Management has defined uncertainty as either there being no financial resources available for development over a three-year period or results from exploration work do not justify further investment. Expenditures not related to specific properties are accounted for in the statements of operations.

Proceeds on the sale of exploration properties are applied by property in reduction of the mining properties, then in reduction of the deferred exploration expenses and any residual is recorded in the statement of operations unless there is contractual work required in which case the residual gain is deferred and will be reduced the contractual disbursements when done. Governmental assistance, mining duties credits and other credits related to exploration work are applied against the deferred exploration expenses.

Funds received from partners on certain properties where the Company is the operator in order to perform exploration work as per agreements, are accounted for in the balance sheet as advances for exploration work. These advances are reduced gradually when the exploration work are performed. The project management fees received when the Company is the operator are recorded in the statement of operations.

Changes in accounting policies including initial adoption

Future change in accounting standards

Adoption of International Financial Reporting Standard in Canada

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the changeover date to move financial reporting for Canadian publicly accountable enterprises to the International Financial Reporting Standards ("IFRSs"). The Company will get the training on the IFRS to be ready for the 2011 conversion. The Company, in collaboration with other exploration companies, hired PriceWaterhouseCoopers LLP to perform a diagnostic review to understand, identify and assess the overall effort required to produce financial information under IFRS.

Financial instruments

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The short-term liquid investments included in cash and cash equivalents bear interest at a fixed rate and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. Interest rates 1% lower would have increased the fair value of these by \$6,062 as of December 31, 2008. The Company's other financial assets and liabilities do not comprise any interest rate risk since they do not bear interest.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and cash equivalents and accounts receivable. The Company reduces its credit risk by maintaining part of its cash and cash equivalents in financial instruments guaranteed by and held with a Canadian chartered bank and the other part in financial instruments guaranteed by Canadian chartered banks held with an independent wealth management firm member of the Canadian Investor Protection Fund. The Company aims at signing partnership agreements with established companies and follows closely their cash position to reduce its credit risk on accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. As of December 31, 2008, the Company had enough funds available to meet its financial liabilities and future financial liabilities from its commitments for the current year.

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Financial instruments (cont'd)

Fair Value

The fair value of financial instruments is summarized as follows:

	December 31, 2008		September 30, 2008	
	Carrying amount	Fair Value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
<i>Held for trading</i>				
Cash and cash equivalents	3,002,832	3,002,832	3,320,571	3,320,571
<i>Loans and receivables</i>				
Accounts receivable	33,098	33,098	303,131	303,131
Financial liabilities				
<i>Other liabilities</i>				
Accounts payable and accrued liabilities	81,652	81,652	391,805	391,805
Advance for exploration work	-	-	4,772	4,772

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments.

Forward looking information

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

February 19, 2009

(S) Gino Roger

Gino Roger
President Chief Executive Officer

(S) Ingrid Martin

Ingrid Martin
Chief Financial Officer

Corporate Information

Directors

Jean-Pierre Janson, Chairman of the board ^{1) 2)}
Gino Roger
Jacques Bonneau ^{1) 2)}
Germain Carrière ^{1) 3)}
Robert I. Valliant ³⁾
René Branchaud ³⁾

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
Ingrid Martin, Chief Financial Officer
René Branchaud, Secretary

Head Office

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