

Midland Exploration Inc.

Management's Discussion and Analysis

March 31, 2009

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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 six-month period ended March 31, 2009. This MD&A should be read in conjunction with the Company's financial statements and related notes as at March 31, 2009. 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 ("GAAP").

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 \$3,141,047 as of March 31, 2009 (\$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 completed \$299,213 in exploration during the six-month period ended March 31, 2009 ("Q2-09") compared to \$525,489 in the six-month period ended March 31, 2008 ("Q2-08"). In addition, the Company invested \$83,736 in Q2-09 (\$157,136 in Q2-08) in property several acquisitions in Quebec.

In December 2008, the Company issued \$415,000 of flow-through shares following a private placement. In February 2009, all broker warrants were exercised for \$210,000.

The Company reported a loss of \$209,063 in Q2-09 compared to a loss of \$274,183 in Q2-08.

Results of operations

Expenses have decreased from \$465,877 in Q2-08 to \$373,930 in Q2-09 mainly due to stock-based compensation that decreased from \$112,715 in Q2-08 to \$29,159 in Q2-09. On October 2, 2008, the president's contract 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. On February 19, 2009, the Company granted to its directors, officers, employees and consultants 420,000 options exercisable at \$0.70. Total stock-based compensation costs for these 420,000 options amount to \$210,000 for an estimated fair value of \$0.50 per option. As of March 31, 2009, \$4,424 was capitalized against deferred exploration expenses and \$24,159 expensed as stock-based compensation, based on the vesting period. Details on the Q2-08 stock-based compensation can be found in the September 30, 2008 financial statements.

Interest revenues decreased from \$70,088 in Q2-08 to \$33,277 in Q2-09, due primarily to reduced interest rates obtained on investments.

Project management fees revenues decreased from \$72,020 in Q2-08 to \$19,590 in Q2-09. 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 its intent not to pursue the option agreement and consequently the project management fees revenues decreased.

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Results of operations (cont'd)

Following the \$415,000 flow-through private placement of December 2008 (\$124,600 in December 2007), the Company recorded a \$112,000 recovery of future income taxes when it renounced its exploration expenses in February 2009 (\$34,000 in February 2009). The offsetting entry was recorded against the share issue expenses.

Investing activities

| Deferred exploration expenses Q2-09 \$ | Maritime Cadillac | Vermilion | Weedon | James | James | James | Gatineau Zn | Abitibi Au | Dunn | Laflamme | Project generation | Total |
|--|-------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------------|----------------|
| | | | | Bay Au | Bay Mo | Bay U | | | | | | |
| Balance beginning | 156,269 | 306,008 | 57,770 | 65,652 | 47,839 | 7,464 | 22,297 | 1,075 | - | - | 59,609 | 723,983 |
| Geophysics | - | - | - | 21,739 | - | - | 12,700 | - | - | - | 2,731 | 37,170 |
| Geology | 1,540 | - | 27,088 | 45,275 | 1,240 | 8,523 | 31,499 | 28,743 | 7,575 | 9,159 | 23,150 | 183,792 |
| Geochemistry | - | - | 1,977 | 27,887 | - | - | - | - | - | - | 741 | 30,605 |
| Line cutting | - | - | - | 46,396 | - | - | - | - | - | - | - | 46,396 |
| Travelling | - | - | 24 | - | - | - | - | 1,290 | - | 28 | - | 1,342 |
| Mgmt fees | - | (92) | - | - | - | - | - | - | - | - | - | (92) |
| | 1,540 | (92) | 29,089 | 141,297 | 1,240 | 8,523 | 44,199 | 30,033 | 7,575 | 9,187 | 26,622 | 299,213 |
| Stock-based compensation | - | - | 2,093 | 953 | - | - | 1,873 | 1,191 | - | - | 953 | 7,063 |
| Recharge | - | - | (4,552) | (135,153) | - | (1,462) | (42,399) | - | - | - | - | (183,566) |
| Net addition | 1,540 | (92) | 26,630 | 7,097 | 1,240 | 7,061 | 3,673 | 31,224 | 7,575 | 9,187 | 27,575 | 122,710 |
| Tax credits | (214) | - | (5,922) | (2,262) | - | (2,642) | (770) | (3,334) | (642) | (856) | (8,279) | (24,921) |
| Net change | 1,326 | (92) | 20,708 | 4,835 | 1,240 | 4,419 | 2,903 | 27,890 | 6,933 | 8,331 | 19,296 | 97,789 |
| Balance end | 157,595 | 305,916 | 78,478 | 70,487 | 49,079 | 11,883 | 25,200 | 28,965 | 6,933 | 8,331 | 78,905 | 821,772 |

| Deferred exploration expenses Q2-08 \$ | Maritime Cadillac | Vermilion | Weedon | James | James | James | Gatineau Zn | Project generation | Total |
|--|-------------------|----------------|---------------|---------------|---------------|--------------|---------------|--------------------|----------------|
| | | | | Bay Au | Bay Mo | Bay U | | | |
| Balance Beginning | 153,349 | 286,835 | 48,922 | 37,931 | 10,491 | 7,222 | 42,363 | 16,041 | 603,154 |
| Geophysics | - | 275 | 145,108 | 32,885 | - | - | 62,789 | - | 241,057 |
| Geology | - | 2,984 | 67,489 | 21,545 | 3,388 | 10,070 | 43,901 | 16,796 | 166,173 |
| Geochemistry | - | 1,276 | 721 | - | - | - | 105,465 | - | 107,462 |
| Logistic | - | - | 1,500 | - | - | - | - | - | 1,500 |
| Analysis | - | - | - | - | - | - | - | 111 | 111 |
| Travelling | - | - | 1,275 | - | - | 348 | 6,760 | - | 8,383 |
| Mgmt fees | - | 803 | - | - | - | - | - | - | 803 |
| | - | 5,338 | 216,093 | 54,430 | 3,388 | 10,418 | 218,915 | 16,907 | 525,489 |
| Stock-based compensation | 328 | 12,523 | 15,456 | 3,294 | 988 | 660 | 7,996 | 988 | 42,233 |
| Recharge | - | - | (216,093) | (47,522) | - | - | (217,315) | - | (480,930) |
| Net addition | 328 | 17,861 | 15,456 | 10,202 | 4,376 | 11,078 | 9,596 | 17,895 | 86,792 |
| Tax credits | - | (2,214) | - | (1,502) | (398) | (2,779) | (685) | (6,466) | (14,044) |
| Disposal | - | - | - | - | - | (10,801) | - | - | (10,801) |
| Net change | 328 | 15,647 | 15,456 | 8,700 | 3,978 | (2,502) | 8,911 | 11,429 | 61,947 |
| Balance end | 153,677 | 302,482 | 64,378 | 46,631 | 14,469 | 4,720 | 51,274 | 27,470 | 665,101 |

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 March 31, 2008. 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

During the Q2-09 period, the drilling program operated by Agnico-Eagle resumed on the Maritime Cadillac property. Three (3) of the six (6) holes program have been completed with the objective to test the Maritime Contact East, Dyke West and Dyke East structures and a fourth hole is in process.

Maritime Dyke East

Drill hole 141-09-21 intersected a grade of **18.5 g/t Au over 1.0 metre** (about 0.70 metre true thickness) associated with a mineralized porphyry intrusion with 3-5% pyrite and pyrrhotite, from 672.8 to 673.8 metres. This intrusion is part of the Maritime Dyke East zone and occurs in altered ultramafic rocks at about 600 metres vertical depth.

Investing activities (cont'd)

From 621.6 to 647.5 metres, this drill hole intersected another porphyry intrusion with pyrite mineralization, at about 565 metres vertical depth, that graded **1.1 g/t Au over 25.9 metres** (about 18.1 metres true thickness), including a zone at **1.9 g/t Au over 11.0 metres** (about 7.7 metres true thickness) from 636.5 to 647.5 metres, which contains a higher-grade section at **4.7 g/t Au over 1.5 metres** (about 1.0 metre true thickness) from 646.0 to 647.5 metres. These new intercepts along the Maritime Dyke East zone remain open along strike and at depth. They are located more than 275 metres away from drill hole 141-08-18A, which had intersected 0.47 g/t Au over 5.60 metres.

Maritime Contact East

In drill hole 141-09-21, the Maritime Contact East zone was intersected from 761.3 to 764.5 metres and graded **1.5 g/t Au over 3.2 metres** (about 2.3 metres true thickness). Mineralization is associated with the presence of about 2-3% arsenopyrite in an ultramafic schist injected with quartz-carbonate veinlets and altered to biotite. This new intercept is located at about 650 metres vertical depth, about 275 metres below and 100 metres north of the nearest drill hole, namely 141-08-17, which had intersected a grade of 1.29 g/t Au over 2.45 metres during the previous drill program. The Maritime Contact East zone remains open along strike and at depth.

Two other drill holes, planned within the scope of the initial 6-hole program, were completed in the north part of the property. These two drill holes intersected the Maritime Contact East zone but the latter contained only low values despite the presence of alteration along the contact. On the other hand, another contact zone similar to the Maritime Contact East zone appears to develop further west and returned a grade of **2.0 g/t Au over 1.3 metres** from 235.5 to 236.8 metres in drill hole 141-09-19 and a grade of **1.1 g/t Au over 1.5 metres** from 220.0 to 221.5 metres in drill hole 141-09-20.

This drilling program, which began in late January 2009 includes a minimum of six drill holes totalling 3,550 metres. Three more drill holes will be complete in the following weeks.

The exploration budget in Fiscal 2009 for Maritime-Cadillac is \$400,000 for Agnico-Eagle

Abitibi Gold (Au)

Property Description

Dunn Property

During Q2-09, Midland completed the acquisition and the compilation of the Dunn property which is located along the Porcupine-Destor fault about 35 km northeast of the town of Rouyn-Noranda. This new acquisition is the result of a major program to generate new gold projects in the Abitibi volcanic belt. Midland has already initiated discussions in order to find a partner for this project. The property is now composed of 46 claims.

To date along the western segment of the Destor-Porcupine Fault Zone, more than 70 million ounces of gold have been produced. Midland now controls more than 5 kilometers strike length along this structure which hosts several important gold deposits, including the Fayolle deposit located nearby. The structure is marked, on the Dunn property, by a magnetic break along the contact between ultramafic and mafic rocks. Along strike of this magnetic break, many new gold showings have been defined, including the North Gold Zone held by Cartier Resources, located about 6.6 kilometers east of the Dunn property. Grades of 0.35 g/t Au over 67.0 metres and 0.68 g/t Au over 19.0 metres, including 7.27 g/t Au over 1.0 meter, were reported in drill holes on this zone (*Source: press release by Cartier Resources dated November 10, 2008*). Less than 850 metres west of the Dunn property, a historical drill hole intersected a 1.0 m section grading 15.6 g/t Au along the same magnetic break (*Source: Sigeom, MRNF*).

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Investing activities (cont'd)

A compilation of previous work on the Dunn property reveals the presence of several untested induced polarization anomalies ready to be drilled as well as the presence of alteration minerals typically encountered near the Holloway and Holt mines (4.1 M oz Au) located near Matheson, Ontario, less than 1 km on either side of the Destor-Porcupine Fault (*Source: St-Andrew Goldfields website*). On the Dunn property, a variety of favorable lithologies, namely felsic to ultramafic rocks, turbiditic sediments, a syenite intrusion and several felsic porphyry intrusions, provide many potential lithological contrasts likely to have facilitated the emplacement of gold mineralization along favorable structures.

Laflamme Property

During this period, several additional claims have been staked in the Laflamme property in a favorable area for Gold –Copper mineralization. This area is located west of the town of Lebel Sur Quevillon. At the end of March 2009, the property comprised a total of 206 registered claims covering an area of about 11 400 hectares. The registration of several other map staked claims is pending. The compilation of historical works has been completed and Midland is looking for a partner for this project.

Other Areas

Midland started compilation works in other areas in the Abitibi which had previously been selected within the regional targeting process. Field visits will be done as soon as the main access roads become available.

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

James Bay Gold (Au)

Property Description

The property is located in the James Bay region and is composed of 1,241 claims.

Midland acquired a 100% interest on 1,241 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 |

- 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).

Investing activities (cont'd)

Exploration work on the property

The first year exploration with Agnico-Eagle on the James Bay gold properties was 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.

Assay results from all remaining 228 heavy mineral concentrates (HMC) have been recently released. These results highlight several first order gold anomalies (10 on the Lasalle and 6 on the Galinée properties) that are commonly located down-ice from metasediment, iron formation or metavolcanic rock passing through the Lasalle and Galinée claims blocks. A group of the most anomalous till samples has been selected for further macroscopic and microscopic examinations in order to better characterize the geological nature of the gold source. This work is currently in progress. Information from the gold source will be very useful to orientate our coming prospecting season.

In Q1-09, 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. In February and March, a total of 73.8 kilometers of magnetometric survey was carried over 5 recently established grids; 3 on the Lasalle claim block and 2 on the Galinée claim block. In addition, 29 kilometers of electromagnetic survey (HLEM) was completed with only few kilometres of Induced Polarisation (IP). The IP survey could not be completed as planned because of deep freezing ground preventing electric connection. The survey had to be postponed until next summer. Preliminary results of the electromagnetic survey indicate the presence of moderate to weak conductors, some of which are associated magnetic high.

Midland exploration team is currently planning the next field season which should begin in early July 2009. This campaign will include stripping and channel sampling of the best gold occurrences found last year and include the completion of the IP survey. Geological mapping and prospecting are also foreseen to explain the outlined geophysical anomalies and to source the basal till anomalies.

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:

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Investing activities (cont'd)

| | 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 (LG-4 area) 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 assay results returned anomalous precious and basemetal values ranging from 200 to 4320 ppb Au and 0.02% to 1.33% Cu associated with the samples having the highest uranium values.

In the LG-3 area, 9 boulders were found returning an average 0.69% U with anomalous copper and trace of gold. All these boulders belonging to the Rojean boulder train were found about one kilometer down ice from the Ganic South and Ganic North deposits.

During Q2-09, compilation of the summer exploration data continued. Quest consider for the up coming field season, a detailed lake bottom sediment survey using soil gas methods to locate uranium source. If conclusive, the new identified uranium targets will be followed-up by either by airborne electromagnetic survey or ground geophysics.

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

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.

Investing activities (cont'd)

Exploration work on the property

No exploration work was conducted on the Weedon property for the Q2-09 period. However, Midland proceeded with the acquisition at 100% by map staking of seven (7) new claims located in the area between the former Cupra and Solbec mines.

The exploration budget in Fiscal 2009 for Weedon is \$100,000 for Midland until the signature of a new partnership agreement on the project.

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

No exploration work was conducted on the Gatineau property for the Q2-09 period. Midland is seeking for a new partner for this project in 2009.

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.

Project Generation

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

In February 2009, 420,000 broker warrants were completely exercised for \$210,000.

Working capital

The Company has a working capital of \$3,141,047 as at March 31, 2009 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.

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Summary of results per quarters

For the eight most recent quarters:

| | March 31 2009 | December 31 2008 | September 30 2008 | June 30 2008 |
|----------------|--------------------------|-----------------------------|------------------------------|-------------------------|
| | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Revenues | 28,210 | 24,657 | 74,578 | 71,113 |
| Net loss | (74,237) | (134,826) | (43,200) | (100,678) |
| Loss per share | - | (0.01) | - | (0.01) |
| | March 31 2008 | December 31 2007 | September 30 2007 | June 30 2007 |
| | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Revenues | 64 517 | 93,177 | 56,904 | 36,768 |
| Net loss | (174 463) | (99,720) | (100,980) | (187,316) |
| Loss per share | (0.01) | (0.01) | (0.01) | - |

Related party transactions

In the normal course of operations for Q2-09:

- a) A firm in which René Branchaud (secretary and director) is a partner charged professional fees amounting to \$37,719 of which \$10,500 was recorded as share issue expenses (\$33,833 for Q2-08);
- b) A company controlled by Ingrid Martin (chief financial officer) charged professional fees of \$32,313 (\$27,625 for Q2-08);
- c) As at March 31, 2009, the balance due to the related parties amounted to \$1,612 (as at March 31, 2008, \$14,334).

Not in the normal course of business:

- d) In December 2008, directors and officers of the Company participated in a private placement of flow-through shares 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.

Subsequent events

The Company has no subsequent events to report.

Outstanding share data

| | As of May 20 2009 |
|---------------|----------------------------------|
| | <u>Number</u> |
| Common shares | 21,636,546 |
| Options | 1,870,000 |
| | <u>23,506,546</u> |

Off-balance sheet arrangements

During Q2-09, 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

There is no change in accounting policies to report for Q2-09.

IFRS Convergence

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 ("IFRS"). The changeover date for Midland will be October 1, 2011, to be in line with its September year end.

Team:

Due to the size of the Company, the CFO, who is a Chartered Accountant, will be performing the IFRS convergence and will report to the president and to the Audit Committee on the progress accomplished.

The Company, in collaboration with 5 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.

The draft report was received and reviewed in April 2009. We are expecting the final report very shortly.

IFRS Convergence (cont'd)

Training:

In the fall 2008, the CFO participated in a 3 days training session given by the IFRS Task Force of an Accounting firm. The objective of that training was to compare Canadian GAAP to IFRS. More training on IFRS are scheduled in late spring 2009 through the CICA continued education program. As IFRS is expected to change prior to 2011, any changes impacting the Company will have to be monitored.

Accounting Policies impacted:

The detailed analysis of the accounting policies impacted by the IFRS convergence is expected to be completed throughout 2009 after the final report from PWC is received. Overall, a lot of effort will be put in the financial statements presentation as IFRS requires more disclosure. Based on the analysis of expected accounting differences conducted so far, following is a non-exhaustive list of the IFRS accounting policies that could have a potential impact on the financial statements of the Company:

First Time adoption (IFRS 1)

IFRS 1 provides guidance to entities on the general approach to be taken when first adopting IFRS. The underlying principle of IFRS 1 is retrospective application of IFRS standards in force at the date an entity first reports using IFRS. IFRS 1 acknowledges that full retrospective application may not be practical or appropriate in all situations and prescribes:

- optional exemptions from specific aspects of certain IFRS standards in the preparation of the Company's opening balance sheet; and
- mandatory exceptions to retrospective application of certain IFRS standards.

Additionally, to ensure financial statements contain high-quality information that is transparent to users, IFRS 1 contains disclosure requirements to highlight changes made to financial statement items due to the transition to IFRS.

Impairment (IAS 36, IAS36)

IFRS requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step test under Canadian GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss).

IFRS requires reversal of impairment losses (excluding goodwill) where previous adverse circumstances have changed; this is prohibited under Canadian GAAP.

Impairment testing should be performed at the asset level for long-lived assets and intangible assets. Where the recoverable amount cannot be estimated for individual assets, it should be estimated as part of a Cash Generating Unit ("CGU").

Share-based payments (IFRS 2)

Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Company at the grant date instead of recognizing the entire compensation expense and only record actual forfeitures as they occur.

For graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period and hence the fair value of each instalment will differ.

Mineral property interests, exploration and evaluation costs (IFRS 6)

Under IFRS, the Company would be required to develop an accounting policy to specifically and consistently identify which expenditures on exploration and evaluation activities will be recorded as assets. Unlike IFRS, Canadian GAAP indicates that exploration costs may initially be capitalized if the Company considers that such costs have the characteristics of property, plant and equipment.

Exploration and evaluation assets shall be classified as either tangible or intangible according to the nature of the assets acquired.

Information systems:

The accounting processes of the Company are simple since it is still at the exploration stage and no major challenges are expect at this point to operate the accounting system under the IFRS. Nevertheless, some excel spreadsheets will probably have to be adapted to support the change made in accounting policies.

IFRS Convergence (cont'd)

The Company has yet to establish if historical data will have to be regenerated to comply with some of the choices to be made under IFRS 1.

As the Company will perform its accounting under Canadian GAAP from October 2010 to September 2011, it has yet to determine how it will generate in parallel the accounting under IFRS so that in 2011-12 it has the comparative available. Once the extent of the adjustments needed to convert to IFRS will be established, processes will be put in place effective October 2010 to generate the dual accounting.

Internal Controls:

Since Midland is a TSX Venture issuer, management does not make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National 52-109.

Management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support their certification of the financial statements and MD&A, more specifically assessing that the SEDAR filings are presenting fairly the results of the Company. Management will make sure that once the convergence process is completed, it can still certify its fillings.

Impact on the business:

The business processes of the Company are simple and no major challenges are expected at this point to operate under IFRS. The Company has no foreign currency transactions, no hedging activities, no debt and no capital obligations. The Company doesn't expect that IFRS will have an impact on the requirements or business processes when it enters in flow-through financing. The Company has no compensation arrangements that will be affected by the IFRS implementation. The Company's Stock Option Plan is not affected by ratios or financial targets.

Business process will be monitored through 2009 to detect unsuspected impact.

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% higher would have decreased the fair value of these by \$17,845 as of March 31, 2009. 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.

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Financial instruments (cont'd)

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 March 31, 2009, the Company had enough funds available to meet its financial liabilities and future financial liabilities from its commitments for the current year.

Fair Value

The fair value of financial instruments is summarized as follows:

| | March 31, 2009 | | September 30, 2008 | |
|--|------------------------|-------------------|---------------------------|-------------------|
| | Carrying amount | Fair Value | Carrying amount | Fair value |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| <i>Held for trading</i> | | | | |
| Cash and cash equivalents | 3,051,658 | 3,051,658 | 3,320,571 | 3,320,571 |
| <i>Loans and receivables</i> | | | | |
| Accounts receivable | 89,332 | 89,332 | 303,131 | 303,131 |
| Financial liabilities | | | | |
| <i>Other liabilities</i> | | | | |
| Accounts payable and accrued liabilities | 58,902 | 58,902 | 391,805 | 391,805 |
| Advance for exploration work | 49,299 | 49,299 | 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.

May 20, 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) 3)}
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

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