Midland Exploration Inc.

Management's Discussion and Analysis

December 31, 2009

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, 2009. This MD&A should be read in conjunction with the Company’s financial statements and related notes as at December 31, 2009 and with the annual MD&A as of September 30, 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

The Company is pleased to have completed on November 13, 2009 a brokered private placement by issuing 2,123,033 units at $1.20 per unit and 166,700 flow-through shares at $1.50 per share, for total gross proceeds of $2,797,689. Each unit is comprised of one common share and one-half of a warrant. Each whole warrant will entitle the holder to purchase one additional common share at $1.75 until May 13, 2011.

Midland has a working capital of $4,925,589 as of December 31, 2009 ($2,862,796 as of September 30, 2009) which will allow the Company to execute its exploration program for at least the next three years.

As the operator, Midland incurred exploration expenditures totalling $445,107 in the three-month period ended December 31, 2009 (“Q1-10”) ($140,273 in the three-month period ended December 31, 2008 (“Q1-09”)), on its properties of which $182,316 was recharged to its partners ($46,980 in Q1-09). In addition, the operating partners incurred exploration expenses of $230,160 in Q1-10 ($nil in Q1-09), mainly on Laflamme property with North American Palladium. Also, the Company invested $74,472 in Q1-10 ($18,026 in Q1-09) in several property acquisitions in Quebec of which $14,968 was recharged to its partners ($nil in Q1-09).

The Company reported a loss of $178,581 in Q1-10 compared to a loss of $134,826 in Q1-09.

Results of operations

Expenses increased to $199,172 versus $159,483 in Fiscal 2008. We can mention that:

- During Q1-10, 20,000 options were granted (none in Q1-09) and their fair value was estimated at $20,400. This fair value was accounted for according to its vesting period (up to 18 months) or the period in which the services were rendered. Therefore for the options granted in the present quarter or previous quarter and vested in Q1-10, $7,321 ($19,057 in Q1-09) was capitalized against deferred exploration expenses and $24,816 ($5,000 in Q1-09) expensed as stock-based compensation.
- The fair value variation for financial instruments held for trading was a loss of $7,726 in Q1-10 compared to a gain of $7,656 in Q1-09. During Q1-10, we started to notice an increase in the quarter of interest rates compared to the investments Midland holds, generating a loss when evaluation the fair value. During Q1-09, we had notice the opposite trend.

Interest revenues decreased at $4,419 ($21,679 in Q1-09) due primarily to reduced lower interest rates obtained on investments. Project management fees revenues increased to $16,172 ($2,978 in Q1-09) following the addition of the option agreement with Osisko on the Dunn project.

Investing activities

Deferred exploration expenses Q1-10	Maritime Cadillac	Vermillon	Weedon	James Bay Au	James Bay Mo	James Bay U	Gatineau Zn	Abitibi Au	Cont'd
	$	$	$	$	$	$	$	$	
Balance beginning	160,195	305,916	86,516	82,163	50,319	13,345	29,339	83,802	
Geophysics	-	-	8,013	800	-	-	-	-	
Geology	-	-	5,082	39,464	-	-	-	16,808	
Drilling	-	-	-	-	-	-	-	-	
Geochemistry	-	-	-	47,543	-	-	-	1,078	
Line cutting	-	-	-	-	-	-	-	-	
Analysis	-	-	-	-	-	-	-	-	
Travelling	-	-	1,360	-	-	-	-	349	
Management fees	-	-	-	-	-	-	-	-	
	-	-	14,455	87,807	-	-	-	18,235	
Stock-based compensation	861	-	580	979	-	-	839	250	
Recharge	-	-	(8,013)	(87,339)	-	-	-	-	
Net addition	861	-	7,022	1,447	-	-	839	18,485	
Tax credits	-	-	-	-	-	-	-	-	
Option payments	-	-	-	-	-	-	-	-	
Net change	861	-	7,022	1,447	-	-	839	18,485	
Balance end	161,056	305,916	93,538	83,610	50,319	13,345	30,178	102,287	

Deferred exploration expenses Q1-10	Dunn	Laflamme	Ytterby	Patris	Eleonore	Project genera-tion	Total
	$	$	$	$	$	$	$
Balance beginning	1,040	22,964	20,991	8,080	89,423	73,772	1,027,865
Geophysics	37,664	520	22,771	53,522	90,828	-	214,118
Geology	2,560	-	-	1,560	38,424	9,191	113,089
Drilling	-	-	-	-	-	-	-
Geochemistry	-	-	-	-	5,090	-	53,711
Line cutting	46,595	-	-	15,885	-	-	62,480
Analysis	-	-	-	-	-	-	-
Travelling	-	-	-	-	-	-	1,709
Management fees	-	-	-	-	-	-	-
	86,819	520	22,771	70,967	134,342	9,191	445,107
Stock-based compensation	2,138	528	-	167	-	979	7,321
Recharge	(86,444)	(520)	-	-	-	-	(182,316)
Net addition	2,513	528	22,771	71,134	134,342	10,170	270,112
Tax credits	-	-	-	-	-	-	-
Option payments	-	-	-	-	-	-	-
Net change	2,513	528	22,771	71,134	134,342	10,170	270,112
Balance end	3 ,553	23,492	43,762	79,214	223,765	83,942	1,297,977

Investing activities (cont'd)

Deferred exploration expenses Q1-09	**Maritime Cadillac**	**Vermil-lon**	**Weedon**	**James Bay Au**	**JamesB ay Mo**	**James Bay U**	**Gatineau Zn**	**Abitibi Au**	**Project genera-tion**	**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	**Budget 12 month 2010**	**Actual Q1-10**				
Paid by	**Total**	**Midland**		**Partner**		**Total**
Operated by		**Midland**	**Partner**	**Midland**	**Partner**	
	$	**$**	**$**	**$**	**$**	**$**
Maritime-Cadillac	500,000	861	-	-	-	861
Vermillon	80,000	-	-	-	-	-
Weedon	25,000	7,022	-	8,013	-	15,035
Gatineau	30,000	839	-	-	-	839
James Bay Au	200,000	1,447	-	87,339	-	88,786
James Bay Mo	20,000	-	-	-	-	-
James Bay U	30,000	-	-	-	-	-
Abitibi Au	150,000	18,485	-	-	-	18,485
Dunn	540,000	2,513	-	86,444	-	88,957
Laflamme	300,000	528	-	520	230,160	231,208
Ytterby	350,000	22,771	-	-	-	22,771
Patris	100,000	71,134	-	-	-	71,134
Eleonore	300,000	134,342	-	-	-	134,342
Project Generation	100,000	10,170	-	-	-	10,170
	2,725,000	270,112	-	182,316	230,160	682,588

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 (Au)

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

Following the payment of the last annual cash commitment of $25,000 in January 2009, the Company has fulfilled all its obligations under the agreement dated January 6, 2005 and has acquired 100% of the Maritime-Cadillac property. The vendors retain a 2% net smelter return ("NSR") royalty; the Company can buy back half of the royalty for a payment of $1,000,000.

On June 1, 2009, Agnico-Eagle Mines Limited ("Agnico-Eagle") fulfilled all its obligations under the June 1, 2006 agreement and has acquired a 50% undivided interest in the Maritime-Cadillac property. Agnico-Eagle paid $100,000 and completed $1,000,000 of exploration work from fiscal 2006 to fiscal 2009.

As stipulated in the agreement, Agnico-Eagle indicated that it wants to increase its undivided interest from 50% to 65% during a period of 3 years by financing a bankable feasibility study in respect of the Maritime-Cadillac property or by assuming all mining operations on the Maritime-Cadillac property and will earn 1% additional interest for every $1,000,000 spent on the Maritime-Cadillac property (up to 15% by spending $15 millions).

Exploration work on the property
No exploration work has been conducted during the first quarter on the Maritime-Cadillac property, however, Agnico-Eagle indicated that an important drilling program totalling approximately 4000 metres will begin during the second quarter in order to test the extensions at depth of the Maritime Contact East, the Dyke East and Dyke West structures.

Abitibi Gold (Au)

Property Description
During the first quarter, compilation and property acquisition continued throughout the Abitibi greenstone belt.Three (3) wholly-owned new properties have been acquired by map staking by Midland which is the Chicobi property (31 claims) located to the northwest of Amos along the Chicobi regional fault, the Casault property (110 claims) located approximately 40 kms east of the Detour Lake deposit which contains proven and probable reserves of 8.8 Moz of gold and the Adam East property (27 claims) located north of Joutel.

Exploration work on the property
During the first quarter of 2010, detailed compilation of historical works has been completed for these new projects and discussions with potential partners have been initiated. On the Adam East property, historical works reported numerous gold showings up to 5.2 g/t Au over 1.55 metres, 3.8 g/t Au over 1.50 metres and 2.3 g/t Au over 4.60 metres. No field work has been conducted during this quarter but prospecting is planned for the summer of 2010.

Dunn (Au)

Property Description
The Company staked the Dunn property which is located along the Porcupine-Destor fault about 35 km northeast of the town of Rouyn-Noranda, Québec. Midland has proceeded with the purchase of twelve (12) claims from Typhoon Exploration Inc. ("Typhoon") in order to consolidate the property which is composed of 51 claims at the end of Fiscal 2009.

Investing activities (cont'd)

On June 15, 2009, the Company signed an agreement with Osisko Mining Corporation ("Osisko") whereby Osisko can acquire 50% of the Dunn property subject to the following conditions:

	Payments in cash	**Works**
	$	**$**
Upon signing (completed)	30,000	-
June 15, 2010	30,000	320,000
June 15, 2011	30,000	430,000
June 15, 2012	30,000	550,000
Total	120,000	1,300,000

- Only the $30,000 cash payment upon signing and the first year work commitment for $320,000 are firm commitments.
- The Company is the operator until the pre-feasibility is completed and therefore charges project management fees and received advances for exploration work from time to time.
- Upon the acquisition of a 50% interest, a joint venture will be formed.
- Upon the acquisition of a 50% interest, Osisko will have the option to acquire an additional 15% interest by:
  - delivering a bankable feasibility study under the following conditions:
    - Annual cash payments of $40,000;
    - A minimum of $200,000 of exploration work each year until the delivery of a bankable feasibility study within a three-year period;
  - or by solely assuming all exploration, development and mining operations on the Dunn Property, earning a 1% additional interest for every $1,000,000 spent on the property (up to 15% by spending $15 million).

On July 16, 2009, the Company signed an agreement with Typhoon to acquire 100% of 12 claims that will be added to those staked in 2009 on the Dunn property and will form one property subject to the Osisko option for the following consideration:

- A $20,000 payment upon signature;
- $40,000 of exploration work in the 12 months following the signature of the agreement;
- A 2% net smelter return royalty; the Company can buy back, in tranches, the entire royalty for $2,000,000.

As mentioned in the agreement signed on June 15, 2009, Osisko paid the $20,000 payment and will pay the $40,000 of exploration work due to completed within the 12 months following the acquisition.

Exploration work on the property
During the first quarter, line cutting and ground geophysical works comprising a magnetic survey and a Phase induced polarization (IP) survey have been completed on the Dunn property. A total of 128.3 kms of lines were cut on a north-south oriented grid with a line spacing of 100 metres. A magnetic survey totalling 128.2 kms and a 21.2 kms IP survey were completed in the western portion of the grid. The geophysical works will continue during the second quarter in preparation for a drilling program of approximately 2000 metres.

Laflamme (Au-Cu)

Property Description
The Company staked claims by map staking about 25 kms west of Lebel-sur-Quévillon in the Abitibi region. The Laflamme property consists at the end of the first quarter 2010 in a total of 494 registered claims covering an area of approximately 261 km^2.

Investing activities (Cont'd)

On August 17, 2009, the Company signed an agreement with Cadiscor Resources Inc. ("Cadiscor") a subsidiary of North American Palladium Ltd. whereby Cadiscor can acquire 50% of the Laflamme property subject to the following conditions:

	Payments in cash	Works
	$	$
Upon signing (completed)	30,000	-
August 17, 2010	15,000	300,000
August 17, 2011	15,000	250,000
August 17, 2012	20,000	200,000
August 17, 2013	20,000	250,000
Total	100,000	1,000,000

- Only the $30,000 cash payment upon signing and the first year work commitment for $300,000 are firm commitments.
- Cadiscor is the operator until the pre-feasibility and therefore charges project management fees and received from time to time advances for exploration work.
- Upon acquiring a 50% interest, a joint venture will be formed.
- Upon acquiring a 50% interest, Cadiscor will have the option to acquire an additional 15% interest by delivering a bankable feasibility study.

Exploration work on the property
A heliborne electromagnetic VTEM survey totalling 1118 kms has been completed during October and November of 2009. The interpretation of the data is in progress and drilling is expected during Q2-2010.

Patris (Au)

Property Description
The Company acquired claims by map staking about 30 kms to the north-east of Rouyn-Noranda. This property consists in 26 claims covering an area of approximately 1,085 hectares.

Exploration work on the property
During the first quarter of 2010, line cutting and a ground magnetic survey totalling 35.3 kms as well as a Phase Induced Polarization (IP) survey totalling 30.8 kms have been completed on the Patris property. These works conducted along the La Pause fault detected at least eight (8) anomalies which deserve a follow-up with drilling. Several of these targets are located near the La Pause fault which marks the contact between the Kewagama Sediments and the volcanic rocks of the Malartic Group. The chargeability increases are often associated with an increase in the apparent resistivity which could be caused by a possible silicification zones or by the presence of porphyritic felsic intrusions containing goldmineralization of the Cadillac-Malartic type.

James Bay Gold (Au)

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

Midland owns 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.

Investing activities (Cont'd)

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 (completed)	50,000	-
February 1, 2009 (completed)	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).

Exploration work on the property
The two first years of exploration with Agnico-Eagle on the James Bay gold properties were very successful in finding several new gold bearing outcrops with values as high as 9.1 g/t Au. Elsewhere on the properties, prospecting and reconnaissance mapping has identified other anomalous gold-bearing outcrops and boulders which required further investigation. In the same year, basal till sampling highlighted 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 rocks passing through the Lasalle and Galinée claims blocks. These positive results 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.

During Q1-2010 stripping and channel sampling of the best gold occurrences found during summer 2008 and 2009 were completed. With the aid of an excavator, a 180 m^2 area has been dug to better expose the Golden Idol Showing (9.09 g/t Au). The mineralization, in the form of finely disseminated arsenopyrite with minor pyrite and chalcopyrite, is hosted within a meta-mafic-volcanic layer. It is controlled by a series of 20-centimeter thick shear zones parallel to the E-W trending mafic metavolcanic. The mineralization zone is marked by the presence of 10 to 15% garnet enrichment and chlorite alteration. The degree of alteration and mineralization decrease laterally and gradually from the shear zones. Several channel samples were collected for assays. Three sets of 10 to 12 meters long channel samples, about 5 meters apart, have been cut across the stratigraphy. From the west to the east, cutting through the Golden Idol Showing, assay results returned 0.54 g/t Au over 2.5 m, including 1.75 g/t Au over 0.5 m (channel 1); continuing to the east, 0.36 g/t Au over 2.5 m; 0.57 g/t Au over 2.0 m including 1.14 g/t Au over 0.5 m, and open to the east, 1.44 g/t Au over 2.0 m including 2.7 g/t Au over 1.0 m. Along the second mineralized zone, 5 meters structurally above; channel 1 returned 0.49 g/t Au over 1.0 m including 0.82 g/t Au over 0.5 m, and 10 meters along strike east a 50 cm channel returned 0.185 g/t Au. Directly associated with the Golden Idol Showing, the IP survey reveals a probable conductor whereas on each side 100 meters apart, the IP survey reveals two certain anomalies.

Located 700 meters along strike east and traceable by the IP survey, one 4 meter long channel sample has been cut through the East Goldel Idol Showing (0.33 g/t Au). Final assay results returned 0.41 g/t Au over 1.5 m including 0.55 g/t Au over 0.5 meter. These results are very encouraging indicating that the Golden Idol mineralized system is laterally very extensive and offers many worth following IP anomalies.

Investing activities (Cont'd)

Mechanical stripping on Pankot's Palace Showing (5.1 g/t Au) has exposed the showing area over more than 70 m². The mineralization, in the form of E-W trending Py + Po ± Cpy bearing millimetric veinlets cut through a fine grained felsic meta-volcanic units. Several channel samples were collected for assays. Best results returned 0.15 g/t Au over 2.5 and 0.48 g/t along 0.5m. Passing through the Pankot's Palace Showings, the IP survey has detected a qualified certain to probable 300 m long anomaly.

Following the stripping and sampling works, few days were spent to map the newly established grids and prospecting the best IP and gold basal till anomalies identified last year. A total of 37 men-days of prospecting and reconnaissance mapping were completed on the Lasalle and Galinée properties.

The best results come from this campaign come from the North Whip area (4.3 g/t Au) where 3 grab samples returned 1.69, 4.08 and 5.96 g/t Au respectively. In order to determine the extent of these new gold showings, a program of trenching and channel sampling has been completed during the T4-09. Six new trenches covering the North Whip mineralized zone have been dug and 344 channel samples varying were collected.

Best assay results come from the center of the trenching area and coincide with the new showings. Three channels returned values of 0.73 g/t Au over 5.0m ending with 2.01 g/t Au over 1.0m, 2.9 g/t Au over 1.0m including 4.75 g/t Au over 0.5m and 1.8 g/t Au/1.0m including 2.75 g/t Au/0.5m respectively. Other channels testing the mineralization to the NW returned the following values 0.64 g/t Au /3.5 m ending with a value of 1.43 g/t Au / 1 m open to the NW; 0.95 g/t Au / 1.5 m including 1.2 g/t Au over 1.0m, 0.79 g/t Au /2.25 m including 1.1 g/t Au over 1.5m, and 0.91 g/t Au /1.5 m including 1.4 g/t Au 0.75m. Channel to the SE returned 0.40 g/t Au over 1.5m and 0.37 g/t Au over 0.5m. The North Whip showing remains totally open laterally.

The style of the mineralization resembles in many points with a deformed and metamorphosed gold-rich volcanogenic massive sulphide deposit. It consists into a concordant semi-massive to massive sulfides lens underlain by a tectonically transposed stockwork feeder zone containing pyrrhotite, pyrite, chalcopyrite and arsenopyrite millimetric stringers. The semi-massive and massive sulfides lens is overlain by a meter of exhalative interlayered centimetric massive magnetite beds and cherts (BIF).

The North Whip mineralized zone coincides with a moderate to strong HLEM conductors traceable over more than 400 meters and open in both directions.

For fiscal 2010, a 1,650 meters drilling programs has been approved by Agnico-Eagle and is presently being organized to test the North Whip and Golden Idol showings during Q2-2010. A total of 9 drill holes will test targets at vertical depths ranging from 100 meters to 200 meters. Respectively 700 and 950 meters of drilling are proposed on North Whip and Golden Idol showings. For the North Whip showing, the HLEM conductor was modelized by geophysicist Marc Boivin from MB Géosolutions Inc. in order to produce cross-sections. IP anomalies associated with the Golden Idol showing were also modelized (IP inversion) to define drill targets.

James Bay Molybdenum (Mo)

Property Description
Overall, Midland holds 100% interest on 265 claims located 35 km west of LG-4 hydroelectric complex in the James Bay region. These claim blocks cover a total surface area of 134.1 km² and are owned 100% by Midland.

Exploration work on the property
No field work in during Q1-2010. Geological compilation is in progress with the objective to generate new exploration targets for 2010.

Investing activities (Cont'd)

James Bay Uranium (U)

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

Exploration work on the property
During the Q1-10 no exploration work was conducted on our LG-3 and LG-4 urainum properties.

Éléonore Gold Properties (Au)

Property Description
The Éléonore new property is divided in three distinct blocks with two of them within 25 kms from the Éléonore gold discovery of Goldcorp and one southeast 30 km further along strike. It encompasses a group of 576 claims covering an area of approximately 304.3 square kms. All the properties selection was made following a comprehensive geological and geochemical compilation combined with proven regional-scale targeting concepts. They are located close to a major collisional environment between the volcanogenic-plutonic units of the La Grande Sub-province and the meta-sedimentary units of the Opinaca Sub-province and include portions of several broad gold (Au) geochemical anomalies derived from lake bottom sediments collected by the MRNF.

The West Éléonore properties cover more than 10 kms of strike length in a WSW-ENE magnetic trend located immediately south of the favourable La Grande and the Opinaca contact. Airborne geophysical signatures and regional mapping appear to indicate the presence of poly-deformed metasediments and mafic volcanic units. Few first order Au and As lake bottom sediment (LBS) anomalies (31 and 94 ppb Au and 23 ppm As) are found 10 km down iced southwest from the Midland Property where the source may originated.

The Center Éléonore property acquired in Fiscal 2009 is located 25 km southwest of the Éléonore Deposit (5.3 Million ounces at grades of 11.4 g/t Au combined indicated and inferred resources) within the contact zone between the La Grande and Opinaca Sub-provinces. Adjacent east and north of the property, two new gold zones have been found on Virgina Mines Inc. ("Virginia") Éléonore Regional Property. The first zone, 4 kms north of the Midland property, consists of quartz-tourmaline veins yielding 1.85 g/t, 2.09 g/t and 2.95 g/t Au hosted within a dioritic intrusion in the midst of metasediments. The second zone consists of a 500 m^2 mineralized boulder field found 1000 meters NE. Up to 9 g/t Au has been found in greywacke boulders which may originated from a recently mapped metasedimentary unit striking south into the Midland Property.

The East Éléonore property covers more than 25 kms of favourable geology along the La Grande and the Opinaca contact. It is marked by a NW-SE trending steep metamorphic gradient where several first order gold LBS anomalies occurs. A magnetic and electromagnetic airborne geophysical survey was conducted

Investing activities (Cont'd)

Exploration work on the property
During Q1-2010, prospecting and reconnaissance mapping on the Éléonore Center property confirms the presence of mineralised metasedimentary and metavolcanic units

Forty four grab samples returned values greater than 0.10 g/t Au, averaging 0.62 g/t Au and including five samples that returned 0.78, 0.82, 1.01, 1.91 and 13.6 g/t Au. The best gold mineralization, the Golden Gun showing, is hosted in a metapelite injected with sulfide bearing quartz veinlets near the contact with a metamafic volcanic. The four other auriferous new zones were found along the shore of the Opinaca reservoir with gold values ranging from 0.30 to 1.91g/t Au. Gold mineralization is associated with disseminated to semi-massif sulfides hosted in sheared meta-conglomerates and metapelites. Along the reservoir shore the mineralization is sporadically exposed over a distance of 1200 metres.

To further evaluate the gold potential of Midland' Eleonore Gold properties, a helicopter-borne magnetometric and electromagnetic time domaine airborne survey (AeroTEM 2) has been completed in December 2009. Aeroquest International Limited of Mississauga, Ontario, has been contracted to fly the survey which entirely covers the Éléonore East and the northern portion of the Éléonore Centre claims blocs, where gold mineralization zones have recently been discovered. A total of 1200 line-kms were completed with traverse line varying from 200 to 250 metres at a flight altitude of 30 metres. Results from this survey are pending.

Midland is currently looking for a partner for this project and would like to initiate an important an exploration program shortly.

Ytterby (REE)

Property Description
The Ytterby Project comprises 4 claims blocks covering 636 square kms located between 200 and 230 kms east and northeast of Schefferville. These properties were staked primarily for potential REE, zircon, yttrium, niobium, beryllium mineralization based on its proximity to the Strange Lake and B-Zone discovery announced by Quest in September 2009.

The Strange Lake deposit has been found in the 1979 by Iron Ore Company of Canada ("IOC") while investigating fluorine in water and uranium lake sediment anomalies. IOC has estimated a non-compliant resource of 52 millions tonnes grading 3.25% ZrO_2, 0.56% Nb_2O_5, 0.66% Y_2O_3, 0.12% BeO and 1.30% TREO.

Ytterby 1 main claim block, formed of 1017 claims, is located 5 kms south of Strange Lake and the B-Zone REE deposits and surrounds to the east, south and west the Quest Uranium property. With this position, Midland controls almost entirely the Napeu Kainiut Pluton (23 x 25 km) which hosts the Strange Lake peralkakine intrusive complex.

Based on compilation of Provincial and Federal Government lake sediment geochemistry, geological maps, mineral occurrences and airborne geophysical surveys, all four properties are marked by extensive strong unsourced yttrium, uranium, lanthanum and fluorine lake bottom sediment anomalies combined with uranium (eU) and thorium (eTh) airborne radiometric anomalies.

Exploration work on the property
As a preliminary assessment of the trace and REE elements anomalies in lake bottom sediments, and combined thorium radiometric anomalies found on its properties, Midland proposes to carry out a late spring airborne radiometric and magnetic survey over its 4 claims blocks. This program would be subsequently follow-up by spectrometer assisted prospecting and reconnaissance mapping of the newly outline geophysical anomalies. Midland is currently seeking for partner for this project.

Investing activities (Cont'd)

Vermillon (Cu-Au)

Property Description
The Vermillon property is located some 90 km southwest of the town of La Tuque, Quebec and consists of 259 contiguous claims covering a total surface area of 151 km^2.

Exploration work on the property
No work conducted on the property during Fiscal 2009. Several geophysical targets remain untested and will be reviewed in 2010.

Weedon (Cu-Zn-Au)

Property Description
This property is located in the Eastern Townships, about 120 km south of Quebec City and is now comprised of 321 claims covering an approximate area of 16,439 hectares at the end of Fiscal 2009.

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 kms 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 March 2009, the last payment for $25,000 was disbursed and all the commitments met. 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
An extension of the gravimetric survey was completed in the Lingwick area in order to validate an anomaly that was beginning at the end of the survey lines of the summer 2009. This extension confirmed the presence of two anomalies located at about 500 metres northwest of the Lingwick deposit. A model of the anomalies lead to the interpretation of two possible massive sulphide zones at an approximate depth of 40-50 metres in association with a broad regional anomaly possibly caused by a lithological effect. However, no VTEM conductor is associated with these interpreted sulphide zones. It would be recommended to conduct a high frequency (90 Hz) ground EM survey prior to test these zones by drilling. Midland is currently seeking for partner for this project.

Gatineau Zinc (Zn)

Property Description
Midland owns a 100% interest in a large land position for zinc, including 10 properties for 266 claims in good standing distributed in the Gatineau Area, approximately 200 kms northwest of the city of Montreal.

Exploration work on the property
No exploration work was conducted on the Gatineau property during the first quarter of 2009. Midland is seeking for a new partner for this project in 2010.

Project Generation
Midland continued in 2010 some geological compilation programs in Quebec for the acquisition of new strategic gold, uranium and base metal properties.

Financing activities
The Company finances itself mainly through share issuance.

On November 13, 2009, the Company completed a brokered private placement by issuing 2,123,033 units at $1.20 per unit and 166,700 flow-through shares at $1.50 per share, for total gross proceeds of $2,797,689. Each unit is comprised of one common share and one-half of a warrant. Each whole warrant will entitle the holder to purchase one additional common share at $1.75 until May 13, 2011. The Company paid the broker a cash fee of $174,383 and issued 124,884 broker warrants entitling them to acquire 124,884 shares at $1.20 per share until May 13, 2011.

From the total compensation received from the units, $284,062 has been allocated to warrants and $2,263,577 to common shares, according to a pro rata allocation of the estimated fair value of each of the two components. The estimated fair value of the warrants was determined using the Black-Scholes pricing model based on the following assumptions: no expected dividend yield, an expected volatility of 79%, a risk free interest rate of 1.26% and an expected life of the broker warrants of 18 months.

The total broker warrants cost amount to $64,940 and was recorded as share issue cost. This $64,940 fair value was estimated using the Black-Scholes model with the same assumptions as the warrants.

Total share and warrant issue expenses were $337,558.

Working capital
Midland has a working capital of $4,925,589 as of December 31, 2009 ($2,862,796 as of September 30, 2009). 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 rise 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:

	December 31 2009	September 30 2009	June 30 2009	March 31 2009
	$	$	$	$
Revenues	20,591	26,383	34,285	28,210
Net loss	(178,591)	(191,479)	(124,861)	(74,237)
Loss per share	(0.01)	(0.01)	(0.01)	-

	December 31 2008	September 30 2008	June 30 2008	March 31 2008
	$	$	$	$
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)

Related party transactions

In the normal course of operations for Q1-10:

a) A firm in which René Branchaud (secretary and director) is a partner charged professional fees amounting to $54,322 of which $32,903 was recorded as share issue expenses ($23,528 for Q1-09 of which $10,500 was recorded as share issue expenses);
b) A company controlled by Ingrid Martin (chief financial officer) charged professional fees of $21,380 ($24,238 for Q1-09);
c) As at December 31, 2009, the balance due to the related parties amounted to $40,822 (as at December 31, 2008, $30,858). This amount is subject to the same conditions as those of non related parties.

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.

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 February 18, 2010
	Number
Common shares	23,926,279
Warrants	1,186,400
Options	1,890,000
	27,002,679

Off-balance sheet arrangements

During Q1-10, 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.

Critical accounting estimates (Cont'd)

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 Q1-10.

IFRS Convergence

No development to disclose since the MD&A of September 30, 2009.

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 investments included in cash and cash equivalents and also investments 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 $46,345 as of December 31, 2009 ($17,652 as of September 30, 2009). Since some of the interest rates are lower that 1%, a decrease of interest by 1% or down to 0% would increase de fair value of these by $37,851 as of December 31, 2009 ($14,178 as of September 30, 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, investments 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 investments are composed of governmental corporation's instruments guarantied by a provincial government. 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, 2009, the Company had enough funds available to meet its financial liabilities and future financial liabilities from its commitments for the current year.

Financial instruments (cont'd)

Fair Value
The faire value of financial instruments is summarized as follows:

	31 décembre 2009		30 septembre 2009	
	Carrying amount	Fair Value	Carrying amount	Fair value
	$	$	$	$
Financial assets				
Held for trading				
Cash and cash equivalents	2,322,821	2,322,821	2,299,981	2,299,981
Investments	2,897,009	2,897,009	900,725	900,725
Exploration funds	130,683	130,683	144,464	144,464
Loans and receivables				
Accounts receivable	59,062	59,062	39,778	39,778
Financial liabilities				
Other liabilities				
Accounts payable and accrued liabilities	229,537	229,537	89,516	89,516
Advance for exploration work	214,473	214,473	321,413	321,413

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 18, 2010

(S) Gino Roger
Gino Roger
President Chief Executive Officer

(S) Ingrid Martin
Ingrid Martin
Chief Financial Officer

Directors
Jean-Pierre Janson, Chairman of the board [1) 2)]
Gino Roger
Germain Carrière [1) 2) 3)]
Robert I. Valliant [1) 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
Mario Masson, Vice-president exploration
Ingrid Martin, Chief Financial Officer
René Branchaud, Secretary

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