

CHARTER OF THE BOARD OF DIRECTORS

MIDLAND EXPLORATION INC.

(the “Corporation”)

1. COMPOSITION

The Board shall be comprised of the number of directors as determined by the Board. The majority of the members of the Board shall be independent, within the meaning of Regulation 52-110 respecting Audit Committees.

The election of members to the Board shall take place annually at a meeting of shareholders duly called for such purpose. The Board may appoint a member to fill a vacancy that occurs between annual elections of directors.

The members of the Board shall designate a Chairman among themselves by a majority vote of all Board members.

2. MEETINGS AND PROCEDURES

To efficiently discharge its duties, the Board of directors meets periodically (at least once per quarter), and the committees of the Board meet as needed and at least once a year. The members are informed annually in writing thereof, without any further notice required.

The Board holds, at least once a year, an informal meeting without management being present. Such meetings can be held, if the Board so wishes, at the end of each meeting of the Board or at other specified times during the year.

An unscheduled meeting may be called at any time by the Chairman of the Board, the President and Chief Executive Officer, any vice-president that is also a director or any two directors. A notice specifying the purpose, place, date and time of each unscheduled meeting must be sent to each member by mail, or any other means of telephone or electronic communication, no less than 24 hours before the time and date set for the meeting, unless the Chairman or the President and Chief Executive Officer deems it necessary to call a meeting on shorter notice, in which case notice shall be no less than one hour.

Unscheduled meetings may be held when all members are present or when the absent members provide a written waiver of notice of a meeting.

Immediately after each annual shareholders’ meeting, provided that there is a quorum, the Board shall hold a meeting to designate the officers of the Corporation.

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

Quorum for meetings of Board shall be a majority of its members.

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

Each member (including the Chairman) is entitled to one vote in Board proceedings.

Furthermore, the Board has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate. The Board also allows any Board committee or director to engage the services of an outside advisor at the expense of the Corporation, to adequately discharge their duties and obligations, where the circumstances so warrant.

3. DUTIES AND RESPONSIBILITIES

The Board of directors of the Corporation is ultimately responsible for the stewardship of the Corporation, providing guidance for the overall business and internal affairs of the Corporation and protecting shareholder rights. It does not actively manage but rather oversees the management functions delegated to the President and Chief Executive Officer and the other officers. More specifically, the Board assumes, among other things, the following responsibilities directly or through committees of the Board:

- (1) the adoption of a strategic planning process and of the strategic directions arising therefrom as well as the critical assessment of these directions, of the actions taken to achieve them and the results of such actions;
- (2) the identification of the principal risks inherent in the activities of the Corporation and monitoring the implementation of steps and management systems to ensure proper management of these risks;
- (3) the adoption of a succession plan, including the appointment, training and monitoring of the officers;
- (4) to oversee the Corporation's continuous disclosure program in order to satisfy itself that material information is disseminated in a timely fashion;
- (5) the adoption of appropriate policies and standards relating to corporate governance, business ethics and behaviour of members of the Corporation;
- (6) the monitoring of the integrity of internal controls and management of the Corporation's information systems;
- (7) the assessment of the performance of the officers, the establishment of executive compensation policies and the determination of the President and Chief Executive Officer's compensation;
- (8) the adoption of budgets and financial results of the Corporation, the monitoring of compliance with accounting standards and of the integrity and adequacy of financial information disclosure;

- (9) the assessment of the performance of the Board and of each of its members, the establishment of requirements with respect to the contribution of directors, the establishment and updating of selection criteria for directors, the yearly formulation of a proposition with respect to the number of directors to be elected and the nomination of nominees to the various director positions on the Board as well as the determination of compensation;
- (10) the adoption, approval or modification of the articles, by-laws or administrative resolutions;
- (11) the adoption of the date of the annual meeting and of any special meeting of the shareholders;
- (12) the approval of corporate records as well as the form and content of the certificates representing the securities of the Corporation;
- (13) the authorization to issue, purchase or redeem the securities of the Corporation and the approval of the process relating thereto;
- (14) upon the Audit and Risk Management Committee's recommendation, the formulation of a recommendation with respect to the selection of the external auditors;
- (15) to approve annual and quarterly financial statements;
- (16) the determination of the appropriateness of declaring dividends and the declaration of dividends, where appropriate;
- (17) the appointment of committees of the Board, the determination of their mandates and the selection of their members;
- (18) the approval of the purchase or sale of significant assets and of any other material transaction involving the Corporation, its share capital, its assets, its rights or its obligations;
- (19) the approval of the Management Proxy Circular and the Annual Information Form (as the case may be);
- (20) the selection of the Chairman of the Board and the other officers of the Corporation; and
- (21) the evaluation of global and individual contribution of members of the Board with respect to opinions, information and initiatives for improving the corporate image and notoriety of the Corporation, identifying, evaluating and carrying out profitable business opportunity for the Corporation, as well as providing the Corporation with information on the market in which it operates.

Directors shall exercise their business judgment in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

To better discharge its responsibilities, the Board may, from time to time, implement standing committees. The Board establishes a mandate and an annual work program for each of its committees.

APPROVED BY THE CORPORATE GOVERNANCE COMMITTEE ON SEPTEMBER 25, 2012
APPROVED BY THE BOARD OF DIRECTORS ON DECEMBER 20, 2012

(S) Gino Roger

Gino Roger, Chief Executive Officer

(S) René Branchaud

René Branchaud, Secretary