

CONFLICT OF INTERESTS AND CONFIDENTIALITY POLICY

MIDLAND EXPLORATION INC.

(the “Corporation”)

The general duties of loyalty, integrity and good faith of the directors and officers of the Corporation include more specific obligations that are imposed by laws and regulations, case law and the policies of the Corporation. Several of these obligations must be specifically highlighted, with respect to:

- conflict of interests; and
- confidentiality.

1. Precautionary measures, rules and obligations regarding conflicts of interests

Generally, directors and officers must be careful not to place themselves in a situation of conflict of interests or to take into account, in the discharge of their duties as directors of the Corporation, interests that are not exclusively the best interests of the Corporation. The following guidelines set out more specific rules:

- (a) Each director or officer (where applicable) is required to promptly make a written disclosure to the Chairman of the Board or to the President and Chief Executive Officer, as the case may be, with respect to:
 - (i) the business relationships that he or she has with the Corporation and its subsidiaries otherwise than as a director or officer;
 - (ii) any profit that he or she, a member of his or her family or another person that is related to him or her may derive from a transaction between the Corporation and a third party that is entered into or considered otherwise than as a shareholder of the Corporation;
 - (iii) any circumstance and any event that concerns him or her and which could prevent him or her from acting as a director or officer or prejudice the reputation or the best interests of the Corporation; and
 - (iv) any circumstance, fact or event concerning the Corporation, a director, an officer or any other person that may adversely and materially affect the reputation or the best interests of the Corporation.
- (b) Without limiting the generality of the foregoing, every director shall complete and sign, within 30 days from his or her first election to the Board and every year thereafter, at least three months before the general meeting of the Corporation, the disclosure form attached to the present policy.
- (c) Furthermore, when a subject is on the agenda or is raised during a meeting of the Board or of a committee of the Board may place a director in a situation of

conflict of interests, real or apparent, this director shall notify the Board at the beginning of the meeting or, in any case, before the subject is discussed. Any situation of real and material conflict of interests shall be entered in the minutes of the meeting. Unless the Board decides otherwise, the director who is in a situation of real and material conflict of interest shall refrain from participating to the discussions of the Board or of the committee of the Board pertaining the subject that is placing him or her in the situation of conflict of interest.

- (d) In addition, any director who is in a situation of real and material conflict of interest shall also abstain from voting on the subject that is placing him or her in this situation of conflict of interests, unless the subject pertains to: (i) a contract concerning his or her compensation (ii) a contract concerning a benefit or a liability insurance or (iii) a contract with a member of the same corporate group as the Corporation in which he doesn't hold any personal interest.

The liability of corporate directors is not reduced and should not be compromised by the relationships that this director may entertain. This principle applies to directors who are nominated by persons who have special interests, such as a majority shareholder, a category of shareholders, a creditor or an employee. The general rule governing the conduct of directors is that directors owe a fiduciary duty to the Corporation rather than to a specific shareholder or any others.

To be a member of more than one board of directors may also place a director in a conflictual position. A director who is a member of more than one board of directors should stay vigilant to detect potential conflicts of interests. Directors are not precluded by law to accept more than one directorships but they must discharge their fiduciary duties to every corporation they serve. These directors may find themselves in potential conflict of interests positions which may result in a potential breach of their fiduciary duties to a corporation while respecting those they owe to another corporation. Specific requirements apply where negotiations occur between corporations that share common administrators.

While corporate laws and the courts rely heavily on the participation of independent directors on boards of directors because of their objectivity and their independence, this in no way diminishes the obligations of other directors to comply with the same fiduciary duties.

2. Confidentiality rules

In the course of discharging their duties as directors of the Corporation, directors have access to information pertaining to the Corporation, its strategy, its projects, its budget, its financial results, its proposed transactions and many other aspects of its situation and activities.

Unless it has been disclosed to the public by the Corporation or is generally known to the public, this information is confidential and must not be disclosed or discussed with any others than members of the Board or management who conveyed the information to the director.

Each director must exercise due care and take the necessary measures to shield from the curiosity and knowledge of third parties his or her discussions with other directors and officers of the Corporation as well as the documents he or she receives from the Corporation.

3. Rules pertaining to transactions in which directors have a personal interest

The rules set forth in the laws and case law pertaining to transactions in which directors have a personal interest or to the use, by a director, of privileged information received in connection with his or her duties are strict. The Corporation expects directors to comply with these rules.

Directors are, for instance, precluded from using the property of the Corporation for their own benefit or to the benefit of a third party without paying an adequate consideration or indemnity.

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

APPENDIX A

**MIDLAND EXPLORATION INC.
(the "Corporation")**

**FORM RESPECTING THE DISCLOSURE OF RESPONSIBILITIES, RELATIONSHIPS AND
COMPETENCE OF DIRECTORS**

Name of the director: _____

Home address: _____
Province or State, Country

Duties or main activities^{1, 2}: _____

Securities of the Corporation under control³: _____

Date of the disclosure: _____

For the purposes of filling this form, please see paragraphs 1.3, 1.4 and 1.5 of Regulation 52-110 respecting Audit Committees attached as Schedule 1.

I, undersigned, being a director or nominee to the Board of the Corporation, declares, upon verification, that:

1. My only positions and responsibilities outside of the Corporation and its subsidiaries, are as follows:

Position	Name of Entity	Name of the Exchange (if any)

2. the only corporations or companies or other entities (i) that I control directly or indirectly or (ii) in which I hold, directly or indirectly, as owner, shareholder, partner, general partner or limited partner or holder of securities or units of a class to which are attached voting rights and which are currently involved, or may become involved, with the Corporation or any of its subsidiaries are as follows:

Name of Entity	Nature of Involvement	Name of the Exchange (if any)

3. to my knowledge, no actual or potential situation of conflict of interests involving the Corporation or any of its subsidiaries exists, which would involve a member of my immediate family or a business associate, except as described in the preceding paragraphs or the following lines:

Entity or Person Involved	Nature of the Conflict of Interests Situation

4. I have no direct or indirect material relationship with the Corporation or any of its subsidiaries, that could, in the opinion of the Board of Directors of the Corporation, reasonably interfere with the exercise of my independent judgment as a director of the Corporation or a member of a Committee of its Board, except, as the case may be, what is specifically mentioned in this declaration (See Regulation 52-110, Sections 1.4(1) and 1.4(2)).
- True False
-

If false, provide details: _____

5. further, more specifically and except for anything expressly mentioned in the preceding paragraphs,

	True	False
(a) I am not and was not, within the last three years, an executive officer or employee of the Corporation or any of its subsidiaries (See Regulation 52-110, Section 1.4(3)(a)),	<input type="checkbox"/>	<input type="checkbox"/>

If false, provide details: _____

(b) no member of my immediate family ⁴ is, or has been, within the last three years, an executive officer of the Corporation or any of its subsidiaries (See Regulation 52-110, Section 1.4(3)(b)),	<input type="checkbox"/>	<input type="checkbox"/>
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If false, provide details: _____

(c) I am not a partner ⁵ of, employed by, the internal or external auditor of the Corporation or any of its subsidiaries (See Regulation 52-110, Sections 1.4(3)(c)(i), 1.4(3)(c)(ii) and 1.4(5)),	<input type="checkbox"/>	<input type="checkbox"/>
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If false, provide details: _____

(d) none of my spouse, minor child or stepchild, or child or stepchild who shares a home with me is a partner ⁵ of the internal or external auditor of the Corporation or any of its subsidiaries or an employee of such internal or external auditor who participates in the audit, assurance or tax compliance (but not tax planning) practice of such firm (See Regulation 52-110, Sections 1.4(3)(d)(i), 1.4(3)(d)(ii) and 1.4(5) de 52-110)),	<input type="checkbox"/>	<input type="checkbox"/>
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If false, provide details: _____

- | | True | False |
|--|--------------------------|--------------------------|
| (e) within the last three years, neither myself nor any person mentioned in subparagraph d) above participated in the audit of the Corporation or any of its subsidiaries as a partner ⁵ or employee of the internal or external auditor of the Corporation or any of its subsidiaries (See Regulation 52-110, Sections 1.4(3)(c)(iii) and 1.4(3)(d)(iii)), | <input type="checkbox"/> | <input type="checkbox"/> |

If false, provide details: _____

- | | | |
|--|--------------------------|--------------------------|
| (f) within the last three years, neither myself nor any member of my immediate family ⁴ are an executive officer of an entity of which a current executive officer of the Corporation or any of its subsidiaries serves or served at the same time on the entity's compensation committee (See Regulation 52-110, Section 1.4(3)(e)), | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|

If false, provide details: _____

- | | | |
|--|--------------------------|--------------------------|
| (g) neither myself nor any of my spouse, minor child or stepchild, or a child or stepchild who shares a home with me have any relationship with the Corporation or any of its subsidiaries pursuant to which either myself or any of these relatives may accept, directly or indirectly ⁶ , any consulting, advisory or other compensatory fee from the Corporation or any of its subsidiaries, other than as remuneration for acting in my, his or her capacity as a member of the Board of directors or any Board committee or as a part-time chair or vice-chair of the Board or any Board committee (See Regulation 52-110, Sections 1.5(1)(a), 1.5(2)(a) and 1.5(2)(b)), | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|

If false, provide details: _____

- | | True | False |
|---|--------------------------|--------------------------|
| (h) neither myself nor any member of my immediate family ⁴ received more than \$75,000 in direct compensation from the Corporation or any of its subsidiaries for acting in my or his or her capacity as an executive officer over a twelve-month period within the last three years (<i>except for compensation received as a member of the Board or any of its committees and the receipt of fixed amounts of compensation under a retirement plan for prior service if the compensation is not contingent in any way on continued service</i>) (See Regulation 52-110, Sections 1.4(3)(f) and 1.4(6), | <input type="checkbox"/> | <input type="checkbox"/> |

If false, provide details: _____

- | | | |
|---|--------------------------|--------------------------|
| (i) I am neither a director, an employee or an executive officer of a person, corporation or Corporation who is an affiliated entity of the Corporation or any of its subsidiaries and I am not otherwise their affiliate (See Regulation 52-110, Sections 1.5(1)(b) and 1.3)), | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|

If false, provide details: _____

6. I am not and have not been, within the last 10 years, a director, a chief executive officer, or a chief financial officer of any corporation who:

- | | True | False |
|---|--------------------------|--------------------------|
| (a) while I held such position, was the subject of a cease trade or similar order or an order that denied that corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; | <input type="checkbox"/> | <input type="checkbox"/> |

If false, state the facts and describe the basis on which the order was made and indicate whether such order is still in effect:

- | | True | False |
|---|--------------------------|--------------------------|
| (b) after I ceased to be a director, a chief executive officer, or a chief financial officer was the subject of a cease trade or similar order or an order that denied that corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days due to an event that occurred while I was carrying out my duties. | <input type="checkbox"/> | <input type="checkbox"/> |

If false, state the facts and describe the basis on which the order was made and indicate whether such order is still in effect:

7. I am not and have not been, within 10 years before the present date, a director or executive officer of any Corporation that, while I was acting in that capacity or within a year after I ceased to carry out such duties, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

True	False
<input type="checkbox"/>	<input type="checkbox"/>

If false, provide details: _____

- | | True | False |
|--|--------------------------|--------------------------|
| 8. I have not, within the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold my assets. | <input type="checkbox"/> | <input type="checkbox"/> |

If false, provide details: _____

9. I have the experience and education indicated in the right columns of the following table with respect to the skills mentioned in the left column.⁷

Skills	Education	Experience
Understanding of the accounting principles used by the Corporation to prepare its financial statements		
Ability to assess the general application of such accounting principles in connection with the accounting for estimates, revenue accruals, expenses due and accrued and reserves		
Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the financial statements of the Corporation, or experience actively supervising one or more persons engaged in such activities		
Understanding of internal controls and procedures for financial reporting		

I further undertake to file with the corporate secretary of the Corporation an amended disclosure form forthwith where a situation or event would render this form inaccurate and require an update if the execution of same was required following the occurrence of such situation or event.

IN WITNESS WHEREOF, I signed on the date first hereinabove mentioned.

Signature

Please print name

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1. *Please indicate the name and main activity of any corporation on behalf of whom you perform these duties.*
 2. *If you are a nominee to the Board or directors, please use supplement 1 to indicate the same information as set out in note 1, pertaining to the duties or main activities that you performed during the last five (5) years.*
 3. *Please indicate the number of voting securities of each class of the Corporation or its subsidiaries which you control or own, directly or indirectly as real owner.*
 4. *Immediate family member means an individual's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law and anyone (other than an employee of either the individual or the individual's immediate family member) who shares the individual's home.*
 5. *A partner does not include a fixed income partner whose interest in the auditor's firm is limited to the receipt of fixed amounts of compensation for prior service if the compensation is not contingent in any way on continued service.*
 6. *Please read the extended interpretation of indirect acceptance as set out in Regulation 52-110 Section 1.5 (2).*
 7. *These skills are required to sit on the Audit Committee of the Corporation.*

Supplement 1

**Activities or Duties Performed
During the Last Five (5) Years**

Name of the Director: _____

Activities or Duties Performed	Date	Name and Main Activity of the Corporation on Behalf of Whom the Duties Were Performed

Schedule 1

Regulation 52-110 respecting Audit Committees (extracts)

1.3. Member of Affiliated Entity, Subsidiary Entity and Control

(1) For the purposes of this Regulation, a person or company is considered to be an affiliated entity of another person or company if

(a) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company, or

(b) the person is an individual who is

(i) both a director and an employee of an affiliated entity, or

(ii) an executive officer, general partner or managing member of an affiliated entity.

(2) For the purposes of this Regulation, a person or company is considered to be a subsidiary entity of another person or company if

(a) it is controlled by,

(i) that other, or

(ii) that other and one or more persons or companies each of which is controlled by that other, or

(iii) 2 or more persons or companies, each of which is controlled by that other; or

(b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.

(3) For the purpose of this Regulation, "control" means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise.

(4) Despite subsection (1), an individual will not be considered to control an issuer for the purposes of this Regulation if the individual:

(a) owns, directly or indirectly, 10% or less of any class of voting securities of the issuer; and

(b) is not an executive officer of the issuer.

1.4. Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last 3 years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last 3 years, an executive officer of the issuer;

(c) an individual who:

- (i) is a partner of a firm that is the issuer's internal or external auditor,
- (ii) is an employee of that firm, or
- (iii) was within the last 3 years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

- (i) is a partner of a firm that is the issuer's internal or external auditor,
- (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
- (iii) was within the last 3 years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last 3 years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last 3 years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before June 30, 2005; or
- (b) he or she had a relationship considered to be material under this section with the parent or subsidiary of the issuer that ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
- (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

- (a) has previously acted as an interim chief executive officer of the issuer, or
- (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5. Additional Independence Requirements

(1) Despite any determination made under section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.