



## MIDLAND AND NORTH AMERICAN PALLADIUM RESUME DRILLING ON LAFLAMME AS NEW PRIORITY TARGETS ARE IDENTIFIED NEAR GOLD AND NI-CU-PGE DISCOVERIES

Montreal, February 8, 2012. Midland Exploration Inc. ("**Midland**") (TSX-V: **MD**) is pleased to report that drilling will resume on new high-priority targets recently identified in the vicinity of the two gold and Ni-Cu-PGE discoveries made in 2011 on the Laflamme property in Quebec. These targets were identified as a result of recently completed surface geophysical surveys, including an induced polarization survey ("**IP**"), ground-based electromagnetic surveys ("**TDEM**") as well as a downhole electromagnetic survey ("**PEM**"). This project is a joint venture with North American Palladium Ltd. ("**North American Palladium**").

The new diamond drilling program, totalling at least 3,500 metres, is scheduled to begin in mid-February and is designed to test several new geophysical targets strategically located along the extensions of the two Au and Ni-Cu-PGE discoveries made during the summer of 2011.

### New EM target identified at depth near the Ni-Cu-PGE discovery

In January 2012, ground-based electromagnetic surveys (TDEM) and a downhole PEM survey in drill hole LA-11-08 led to the identification of a very conductive body (strong off-hole anomaly), located below and about 25 metres from drill hole -08. This new target is spatially directly related with the drill intercept that graded 0.66% Ni, 0.35% Cu, 0.17 g/t Pt, 0.16 g/t Pd, 0.11 g/t Au and 1.4 g/t Ag over 8.0 metres, including a higher-grade interval at 1.55% Ni, 0.53% Cu, 0.26 g/t Pt, 0.28 g/t Pd, 0.13 g/t Au and 1.9 g/t Ag over 1.6 metre (*see Midland press release dated June 15, 2011*). Midland and North American Palladium are encouraged by the quality of this new geophysical target located in a highly prospective geological setting for Ni-Cu-PGE-rich semi-massive to massive sulphide lenses associated with ultramafic rocks. Drill hole LA-11-08 will also be deepened, then tested again with the PEM to better define an incipient response obtained near the current end-of-hole, which might possibly indicate the existence of another anomaly at greater depth.

### New IP targets near the gold discovery

In the vicinity of the gold discovery, an induced polarization survey was recently completed along a grid covering the area near LA-11-11, which graded 9.71 g/t Au over 1.0 metre (*see Midland press release dated July 13, 2011*). This IP survey detected the presence of three new chargeability anomalies a few hundred metres in length that have never been tested. These anomalies are located west of discovery hole LA-11-11, which intersected a new gold-bearing structure in the summer of 2011. This structure is hosted in gabbro and is characterized by an altered shear zone exhibiting quartz veinlets with 2-3% pyrite mineralization. At greater depth along the same hole, another interval with quartz-tourmaline-pyrite veining graded 1.1 g/t Au over 1.0 metre, from 297.6 to 298.6 metres.

### Helicopter-borne VTEM survey

In September 2011, a major regional-scale helicopter-borne electromagnetic VTEM-type survey totalling 560 kilometres was completed along the extensions of the Ni-Cu-PGE discovery. Interpretation of the

survey results indicates the presence of several new high-priority anomalies, which will be followed up in the field over the next few months in preparation for an upcoming drilling program.

The Laflamme property now consists of 680 claims for a total surface area of about 30,085 hectares in the prolific Abitibi region in Quebec. North American Palladium recently acquired 50% interest in the Laflamme project and may earn an additional 15% interest by completing a feasibility study.

### **Quality Control**

The exploration program on the Laflamme project is conducted by North American Palladium and data are reviewed by Mario Masson, Vice-President Exploration for Midland and Qualified Person as defined by National Instrument 43-101. Assay samples are taken from NQ-size drill core sawn in half; one half is shipped to a commercial laboratory and the other half is kept for future reference. Assays were conducted by ALS-Chemex-Chimitec in Val-d'Or, and included blanks and standards inserted in the sample stream as a quality control procedure. The attitude of the zone is not yet known and the intersection width may not be true width.

### **About Midland**

Midland targets the excellent mineral potential and the favourable investment climate of Quebec to make the discovery of new world-class deposits of gold, base metals and rare earth elements. Midland is proud to count on reputable partners such as North American Palladium Limited, Agnico-Eagle Mines Limited, Osisko Mining Corporation, Aurizon Mines Limited, Japan Oil, Gas and Metals National Corporation and SOQUEM Inc. Midland prefers to work in partnership and intends to quickly conclude additional agreements in regard to newly acquired properties. Midland is currently evaluating new opportunities and other projects in order to increase the portfolio of the Company.

### **About North American Palladium**

North American Palladium is an established precious metals producer that has been operating its flagship Lac des Iles mine (LDI) located in Ontario, Canada since 1993. LDI is one of only two primary producers of palladium in the world, and is currently undergoing a major expansion to increase production and reduce cash costs per ounce. North American Palladium also operates the Vezza gold mine located in the Abitibi region of Quebec. The Company's shares trade on the NYSE Amex under the symbol PAL and on the TSX under the symbol PDL. For more information, please visit [www.nap.com](http://www.nap.com).

This press release was prepared by Mario Masson, VP Midland Exploration and Qualified Person as defined by NI 43-101. For further information, please consult Midland's website or contact:

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