



TSX-V: "MEX"

# **MIDLANDS MINERALS CORPORATION**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF**

**SHAREHOLDERS AND**

**MANAGEMENT INFORMATION CIRCULAR**

**JUNE 25, 2008**



**NOTICE OF ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS OF MIDLANDS MINERALS  
CORPORATION**

**Midlands Minerals Corporation** (the “Corporation”) will hold its Annual and Special Meeting of Shareholders (the “Meeting”) at The Toronto Board of Trade, Ridout Room, 3<sup>rd</sup> floor, 1 First Canadian Place, Toronto, Ontario, Canada on Wednesday June 25<sup>th</sup>, 2008 at 11.00 a.m. (Eastern Daylight Time).

Holders of common shares are invited to attend the Meeting for the following purposes:

1. To receive the Consolidated Financial Statements of the Corporation for the year ended December 31, 2007 and the Auditor’s Report on those statements;
2. To elect directors of the Corporation;
3. To appoint the Auditors of the Corporation and authorize the Directors to fix the Auditor’s remuneration;
4. To ratify the Corporation’s Stock Option Plan; and
5. To transact any other business properly brought before the Meeting.

The 2007 Audited Consolidated Financial Statements, the Management Information Circular, and a form of proxy (and a pre-addressed return envelope) accompany this Notice of Meeting, and are posted on the Corporation’s Web Site at [www.midlandsmineals.com](http://www.midlandsmineals.com)

**By Order of the Board of Directors**



**Kim F. Harris**  
President and CEO  
Midlands Minerals Corporation

May 13<sup>th</sup>, 2008

## MANAGEMENT INFORMATION CIRCULAR

All information is as at May 13<sup>th</sup>, 2008 unless otherwise indicated.

### About This Document

This Management Information Circular (the "Circular") explains the business to be considered at the Annual and Special Meeting of Shareholders (the "Meeting") of Midlands Minerals Corporation (the "Corporation") to be held on Wednesday, June 25<sup>th</sup>, 2008 at the place and for the purposes set out in the accompanying Notice of Annual and Special Meeting of Shareholders.

### SOLICITATION OF PROXIES

This Circular is provided in connection with management's solicitation of your proxies for use at the Meeting and any continued meeting after an adjournment. Proxies will be solicited primarily by mail. However, the directors, officers, and employees of the Corporation may also solicit proxies by telephone, in writing, or in person. All costs of proxy solicitation will be paid by the Corporation.

See "Voting Information" below for an explanation of how you can vote on the matters to be considered at the Meeting, whether or not you decide to attend the Meeting.

If the common shares are duly registered in the name of the shareholder at the close of business on May 8<sup>th</sup> 2008 (the "Record Date"), the shareholder will be entitled to vote at the Meeting or by proxy. If the shareholder is a corporation, the proxy form must be signed by an authorized officer and accompanied by an authorizing resolution.

Please vote by proxy on the matters to be considered at the Meeting if it is not convenient for you to attend in person. Instructions on how to complete and return your proxy are provided with the enclosed form and are described in the Circular.

**Your proxy must be received no later than 5.00 p.m. (Eastern Daylight Time) on Monday June 23<sup>rd</sup>, 2008, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting. Your proxy must be sent to the Corporation's Transfer Agent, EQUITY TRANSFER & TRUST COMPANY ("Equity") by mailing the proxy to Equity at 200 University Avenue, Suite 400, Toronto, Ontario Canada M5H 4H1. Proxies may also be faxed to Equity at (416) 361-0470 to the Attention of: Proxy Department.**

## MIDLANDS MINERALS CORPORATION TSX-V: MEX

### Management Information Circular

#### **BENEFICIAL HOLDERS OF SHARES**

Shareholders who do not hold their shares in their own name (referred to in this Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The majority of brokers now delegate the responsibility to Broadridge Financial Solutions Inc. (“Broadridge”). A Beneficial Shareholder receiving a voting instruction form (“VIF”) from Broadridge cannot use the form to vote shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the shares voted. Alternatively, Beneficial Shareholders may request in writing, that their broker send to them a legal proxy which would enable them to attend at the meeting and vote their shares.

#### **RULES CONCERNING PROXIES**

The persons named in the enclosed proxy form are directors or officers of the Corporation. These persons will vote or withhold from voting, all the shares in respect of which they are appointed to act, in accordance with the instructions indicated on the proxy form. **In the absence of instructions, the voting rights attached to the shares shall be exercised IN FAVOUR of the matters mentioned in the foregoing Notice of Meeting.** The management of the Corporation is not aware of any changes to the matters identified in the Notice of Meeting or of any other matters that may properly come before the Meeting. However, a proxy given in accordance with the enclosed proxy form confers discretionary authority as to such changes or such other matters that may properly come before the Meeting.

**A shareholder has the right to appoint as proxy holder, a person other than the persons designated in the proxy form, to represent him/her and to act on his/her behalf at the Meeting by inserting the name of the chosen proxy holder in the space provided in the proxy form. A person acting as proxy holder need not be a shareholder of the Corporation.**

A shareholder giving a proxy may revoke the proxy before it is exercised, in any manner permitted by law, namely by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by the shareholder’s attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal or by any instrument in writing executed by an officer or a duly authorized attorney. Such written notices must be filed either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

thereof, at which the proxy form is to be used, or with the Chairman of such Meeting before it is used at the Meeting or at any adjournments thereof.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, management of the Corporation is not aware of any person who may have an interest, whether such interest is by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. The directors and officers have an interest in the ratification of the Stock Option Plan as they may be granted options under the plan.

**RECORD DATE**

Pursuant to National Instrument 54 – 101, the Corporation has fixed the close of business on May 8<sup>th</sup>, 2008 as the Record Date for the Meeting. **Only shareholders of record as at 5.00 p.m. (Eastern Daylight Time) as at that date, will be entitled to receive Notice of the Meeting and related documents and to vote at the Meeting or at any adjournment thereof, but failure to receive such notice does not deprive shareholders of their right to vote their shares at the Meeting.**

If a shareholder has transferred any of his/her common shares after the record date, and the transferee of these shares produces properly endorsed share certificates or otherwise establishes that he/she owns such shares, as the case may be, and demands, at least ten (10) days before the Meeting, that his/her name be registered on the list of shareholders entitled to vote, the transferee is entitled to vote such shares at the Meeting.

**VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES**

The Corporation is authorized to issue an unlimited number of common shares (**the “Common Shares”**) without nominal or par value of which, as at the date hereof, 53,046,458 Common Shares are issued and outstanding as fully paid and non-assessable common shares. Each issued and outstanding common share entitles its holder to one vote.

To the knowledge of the directors and senior officers of the Corporation, there are no persons or companies, who beneficially own, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10 percent of the voting rights, except as follows:

<u>Name and Address</u>	<u>Number of Shares</u>	<u>% of outstanding capital</u>
<b>Kim F. Harris</b> <b>Toronto Ontario Canada</b>	<b>5,465,010</b> <sup>(1) (2)</sup>	<b>10.30%</b>
<b>RAB Special Situations LP</b> <b>London UK</b>	<b>9,100,000</b>	<b>19.70%</b>

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

<b>CIM Special Situations Fund London, UK</b>	<b>7,781,000</b>	<b>14.67%</b>
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**Notes:**

1. Kim Harris and Edward Harris have a controlling interest in SIKA Resources Inc. (“SIKA”) and are related to each other.
2. Included in Kim Harris’ shares as shown are 587,822 common shares held by SIKA Resources Inc.

**PART 1 – BUSINESS TO BE TRANSACTED AT THE MEETING**

**A. PRESENTATION OF MANAGEMENT’S REPORT, CONSOLIDATED FINANCIAL STATEMENTS, AND AUDITORS REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007**

Management’s report and the Corporation’s Consolidated Financial Statements and the Management’s Discussion and Analysis for the year ended December 31, 2007, together with the Auditor’s Report thereon, are contained in the Annual Report of the Corporation sent to shareholders at the same time as this Information Circular.

**B. ELECTION OF DIRECTORS**

The Articles of Incorporation provide that the minimum number of directors is three (3) and the maximum is fifteen (15). The By-Laws of the Corporation provide that members of the Board of Directors of the Corporation are elected annually. Each Director holds office for one year or until his successor is elected or appointed unless he/she resigns or the office becomes vacant by death or otherwise. The Board of Directors of the Company currently consists of seven (7) directors, all of whom are standing for re-election at the Meeting.

The Company would like to thank Mr. Alfred Powis, O.C. for his support and leadership. Mr. Powis, who passed away in October 2007, was the Chairman of Midlands since the Company’s inception.

Following approval of these appointments by the shareholders as the case may be, the Board of Directors will be composed of six (5) independent directors, one (1) director related to a major shareholder and one (1) director who is an employee.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the election as directors of the seven (7) nominees whose names are set forth below unless the shareholder signing the proxy has indicated that he/she is withholding from voting. The resolution must be adopted by at least a**

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**majority of the votes cast by the shareholders present at the meeting in person or by proxy.**

Management does not contemplate that any nominee will be unable or unwilling to serve as a director of the Corporation, but if that should occur for any reason prior to the election, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion, unless otherwise instructed in the proxy.

The following table sets out the names of the seven (7) individuals proposed for election as directors, the Province or country in which they are ordinarily resident, their positions in the Corporation and the number of common shares of the Corporation held by those individuals as at May 13th, 2008.

<u>Name and Residence</u>	<u>Position(s) with the Issuer</u>	<u>No. of Common Shares of the Issuer Held</u>	<u>Principal Occupation(s) During Previous Five Years</u>
Kim F. Harris Toronto, Ontario Canada	President, Chief Executive Officer, Vice Chair and Director	4,877,188 <sup>(1)</sup>	President and CEO of the Issuer from June 2000 to present;  Managing Director of SIKA Resources Inc. (a privately held resource exploration company) June 1995 Previously Director, Africa for Ontario International Corporation,
Edward A. Harris Toronto, Ontario Canada	Vice Chair and Director (Audit Committee member)	3,003,448	Vice President and Portfolio Manager with McLean Budden Limited Since 1990
Mark B. Keatley London, U.K.	Director (Audit Committee member)	Nil	CFO of Ashanti Goldfields Ltd. from 1994 to 2000, Current CFO of a UK firm
Pierre Lalande, P.Geo Toronto, Ontario Canada	Director	Nil	Consulting geologist Formerly Chief Geologist for IAM Gold Corp. From 1994 to 2001
R. John Carruthers Oshawa, Ontario	Director	134,150	Formerly Director of Industrial Business Development with CaseBank Technologies Inc.
Noel Nedrick Toronto, Ontario, Canada	Director (Audit Committee member)	432,473	An Analyst with TD Commercial Banking Consultant/Analyst since 1996.
Karl Schmed Toronto, Ontario Canada	Director	244,000	President of Global Colour Link Inc Founder and former President of SQS

## MIDLANDS MINERALS CORPORATION TSX-V: MEX

### Management Information Circular

#### **Note:**

(1) The above 4,877,188 common shares are held by Kim Harris exclusive of her interest in SIKA Resources Inc. which holds 587,822 shares in Midlands Minerals Corporation. Kim Harris and Edward Harris have a controlling position in SIKA Resources Inc.

**None of the Nominees is, or has been within the ten (10) year period prior to the date hereof, a director or chief executive officer or officer of any company that, while the person was acting in that capacity, was the subject of, or an event occurred that after the Nominee ceased to be a director or officer resulted in, a cease trade or similar order, or an order that denied the company access to any exemptions under Canadian securities legislation, for a period of more than thirty (30) consecutive days.**

**None of Nominees is, or has been within the ten (10) year period prior to the date hereof, a director or executive officer of any company that, while that person was acting in that capacity or within one year of ceasing to act in that capacity, 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 the assets of such company.**

**None of Nominees has, within the ten (10) year period prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or initiated any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.**

The Audit Committee conforms to disclosures on audit committees as required by Form 52-110F2 of Multilateral Instrument 52-110. Audit Committee members are well versed in finance and have formal training and experience in finance as well as extensive experience resulting from careers involving senior and executive positions in the management of large international corporations. Members of the Audit Committee are

1. Mark Keatley, currently CFO of a UK firm and previously CFO of Ashanti Goldfields Company
2. Noel Nedrick, currently an Analyst with TD Commercial Banking
3. Edward Harris, currently a Vice President and Portfolio Manager with McLean Budden Limited

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**C. APPOINTMENT AND REMUNERATION OF AUDITORS**

Schwartz, Levitsky, Feldman, LLP have been appointed by the Company to conduct the 2007 year end audit and to audit the Consolidated Financial Statements of the Corporation for the period ended December 31, 2007. The change in auditors reflects the growing needs of the Company as the Company's projects become more advanced and operational issues have become more complex.

The Company's previous auditors, McGovern, Hurley, Cunningham LLP were first appointed by Midlands to conduct the 2004 year end audit and were again re-appointed to audit the Consolidated Financial Statements of the Corporation for the periods ended December 31, 2005 and December 31, 2006. \$62,679 was incurred in fees inclusive of \$58,694 related to the audit for the period ended December 31, 2006.

At the Meeting, shareholders of the Corporation will be asked to pass a resolution confirming the appointment of Schwartz, Levitsky Feldman LLP, Chartered Accountants as auditors of the Corporation and authorizing the directors of the Corporation to fix their remuneration. Subject to the foregoing, unless otherwise instructed, the persons named in the enclosed proxy intend to vote **IN FAVOUR OF** the appointment of **Schwartz, Levitsky, Feldman LLP, Chartered Accountants** as auditors of the Corporation, to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix their remuneration.

Pursuant to applicable securities legislation relating to a change in auditors, the "Notice of Change of Auditor" as well as letters from McGovern, Hurley, Cunningham LLP and letters from Schwartz, Levitsky Feldman LLP, Chartered Accountants have been filed on [www.sedar.com](http://www.sedar.com). Schwartz, Levitsky Feldman LLP, Chartered Accountants were appointed on August 27, 2007.

**The resolution must be adopted by at least a majority of the votes cast by the shareholders present at the meeting in person or by proxy.**

**D. STOCK OPTION PLAN**

On May 19, 2004, the directors of the Corporation adopted the Stock Option Plan which was subsequently approved by the shareholders, to encourage common share ownership in Midlands Minerals Corporation by directors, officers, key employees and consultants of the Corporation from time to time.

The policies of the TSX Venture Exchange require that a "rolling" stock option plan (where a specific maximum number of shares issuable under the plan is not fixed), such as that of the Corporation, be ratified by the shareholders of the Corporation at each Annual and Special Meeting.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**The material terms of the Stock Option Plan are as follows:**

1. The number of common shares which may be reserved for issuance to eligible persons (as defined in the Plan) is a maximum of 10% of the issued and outstanding stock;
2. No one person shall be issued options representing more than 5% of the issued and outstanding shares of the Corporation in any 12 month period;
3. All options will be non-assignable and non-transferable;
4. No financial assistance can be provided by the Corporation to option holders to facilitate the purchase of common shares under the Plan;
5. If an option holder ceases to be a director, officer, or employee or consultant of the Corporation (other than by reason of death) then the options will expire no later than 90 days following that date; and
6. Investor Relations persons may not be granted options exceeding 2% of outstanding capital and such options must vest over one year with no more than 25% vesting in each quarter.

The pricing of the options will be in accordance with the TSX Venture Exchange rules and guidelines and the setting of the price at the time of granting of the options will take into account the TSX Venture Exchange's rules, including that the price be not less than the discounted market price.

The Stock Option Plan provides that eligible persons thereunder include any director, employee, (full-time or part-time), officer or consultant of the Corporation or any subsidiary thereof, may be granted options by the Corporation. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services. The total number of common shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares from time to time.

The terms of the options may not exceed 5 years and shall be subject to earlier redemption upon the termination of employment. If an optionee dies, the legal representative of the optionee may exercise the optionee's options for a period not exceeding one (1) year after the date of the optionee's death but only up to and including the original option expiry date. The Stock Option Plan also contains anti-dilution provisions usual to plans of this type.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote in FAVOUR OF the adoption of the ordinary resolution as set out in Schedule A to this Information Circular ratifying the Stock Option Plan. The resolution must be adopted by at least a majority of the votes cast by the shareholders present at the meeting in person or by proxy.**

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**STOCK OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES**

The following table sets out the securities of the Corporation reserved for issuance:

<b>Number of common shares</b>	<b>Nature of Reservation</b>	<b>Terms</b>
<b>Warrants</b>		
265,767	Agent's warrants	Exercisable at \$0.30 per share until January 11, 2009
400,519	Agent's Warrants	Exercisable at \$0.30 per share Until December 12, 2008
2,910,853	Private Placement Warrants	Exercisable at \$0.45 per share until December 12, 2008
1,898,333	Private Placement Warrants	Exercisable at \$0.45 per share until January 11, 2009
<b>Options</b>		
1,876,825	Granted June 22, 2005	Exercisable at \$0.20 per share until June 22, 2010
234,600	Granted June 22, 2005	Exercisable at \$0.30 per share until June 22, 2010
234,600	Granted June 22, 2005	Exercisable at \$0.43 per share until June 22, 2010
1,125,000	Granted August 18, 2006	Exercisable at \$0.45 per share until August 9, 2011
906,019	Granted April 4, 2007	Exercisable at \$0.45 per share until April 4, 2012

There are no assurances that the options, warrants and other rights described above will be exercised in whole or in part.

**PART 11 – EXECUTIVE COMPENSATION**

**A. REPORT ON EXECUTIVE COMPENSATION**

**Executive Compensation**

The Corporation has four executive officers, The Chief Executive Officer (Kim F. Harris), Vice President Exploration (Marc Boisvert, P. Eng.), and the Chief Financial Officer (Paul Singer C.A). The board of directors determines on an annual basis the compensation to be paid to the Chief Executive Officer.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

The following table, presented in accordance with Form 51-102F6 of National Instrument 51-102 *Continuous Disclosure Obligations*, sets forth all annual and long-term compensation for services rendered in all capacities to the Corporation and its subsidiaries for the fiscal years ended December 31, 2007, 2006 and 2005 in respect of the Chief Executive Officer and Chief Financial Officer of the Corporation (the "Named Executive Officers"). The board of directors has granted a total of 2,747,044 to the officers of the company as part of their compensation.

**Summary Compensation Table**

		<b>Annual Compensation</b>	<b>Annual Compensation</b>	<b>Other</b>	<b>Long Term Compensation</b>
<b>Name and Principal Position</b>	<b>Financial Year Ended December 31</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Other Compensation (\$)</b>	<b>Options Granted</b>
Kim F. Harris CEO	2007	\$145,775	Nil	\$36,444	2,217,044
	2006	\$138,834	Nil	\$34,709	
	2005	\$80,000	Nil	\$19,500	Nil
Paul Singer, CFO	2007	\$22,120	Nil	Nil	150,000
	2006	\$6,510	Nil	Nil	
	2005	\$7,704	Nil	Nil	Nil
Marc Boisvert VP Exploration	2007	\$110,000	Nil	Nil	380,000

**OTHER COMPENSATION MATTERS**

There were no long-term incentive awards made to the Named Executive Officers of the Corporation during the fiscal year ended December 31, 2007. There were no pension plan benefits in place for the named executive officers. Incentive Stock Options totalling 4,257,044 have been granted in compliance with the TSX Venture Exchange regulations, to employees, members of the board of directors, and to eligible consultants. Each director currently holds 150,000 options.

**B. EMPLOYMENT CONTRACTS**

The Company has an employment contract with the CEO, Assistant Vice President Administration and with the Vice President Exploration. The CEOs' salary is increased annually by at least a cost of living increase subject to all required regulatory approvals.

## **MIDLANDS MINERALS CORPORATION TSX-V: MEX**

### **Management Information Circular**

The CEO will be entitled to receive a payment equal to 24 months salary on termination for any reason other than cause

The Corporation entered into an agreement with the Chief Financial Officer to pay for his part-time services at the rate of \$20,000 per year. All other special assignments such as the preparation of the Corporation's annual tax returns, constitute additional payments to the CFO.

#### **C. COMPENSATION OF DIRECTORS AND OFFICERS**

Other than a nominal annual honorarium, options granted in compliance with TSX Venture Exchange policies, and fees to cover expenses related to attending board meetings, the directors of the Corporation receive no compensation for their services in such capacity. Expenses are paid to cover out of pocket costs related to board duties and attendance at meetings. Directors are paid from time to time when performing a technical task as it relates to their area of specialization.

During the fiscal year ended December 31, 2007, Noel Nedrick, a director, did not receive monies from the company. During the fiscal year ended December 31, 2006, Noel Nedrick, a director received \$17,205 from the Company in consulting fees to cover time and expenses from time to time, and for specific tasks relating to financial consulting and other corporate duties.

During the fiscal year ended December 31, 2007, Paul Singer C.A. and the Company's CFO, received \$22,120 from the Company. During the fiscal year ended December 31, 2006, Paul Singer, C.A., the Company's CFO, received \$6,510 in consulting fees from time to time for services related to accounting and the preparation of the issuer's tax returns.

During the fiscal year ended December 31, 2007, Karl Schmed, a director, received \$4,350 for services related to the preparation of the annual report. During the fiscal year ended December 31, 2006, Karl Schmed, a director, received \$8,045 in consulting fees from time to time for services related to marketing and investor relations activities.

The amounts paid out to remaining directors are of such a nature as to be not material.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**PART III - NON-ARM'S LENGTH PARTY TRANSACTIONS**

The Company acquired its principal asset, the Tanzania Itilima Gold and Diamond Property, from SIKA by acquiring 75% of the issued and outstanding shares of Itilima Mining Company Limited (IMC). SIKA Resources Inc. is controlled by Kim Harris who is the Chief executive Officer of Midlands and a director, and Edward Harris who is a director, and together they are officers and holders of more than 10% of the shares of Midlands Minerals Corporation. The consideration received by SIKA Resources Inc. and the shareholders of SIKA for the shares of IMC was 5,420,000 common shares of Midlands priced at \$0.08 per share. The value was based upon SIKA having expended approximately \$433,600 on the Itilima Gold and Diamond Property at the time the shares of IMC were transferred. The Company is satisfied that the transaction complies with the CICA Handbook with respect to related party transactions.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**CERTIFICATE**

**Approval of Board of Directors**

The contents of this Circular and the sending of it to each director of the Corporation, to the auditors of the Corporation, to the shareholders and to the appropriate securities regulatory authorities, have been approved by the board of directors.

**DATED at Toronto, Ontario, Canada this 13<sup>th</sup> day of May, 2008.**

By Order of the Board of Directors



(signed) Kim F. Harris  
Chief Executive Officer

Toronto, Ontario, Canada  
May 13<sup>th</sup>, 2008

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**SCHEDULE A**

**THE FOLLOWING IS THE TEXT OF AN ORDINARY RESOLUTION WHICH  
WILL BE PRESENTED TO THE SHAREHOLDERS OF MIDLANDS  
MINERALS CORPORATION FOR ADOPTION AT THE ANNUAL AND  
SPECIAL MEETING TO BE HELD ON JUNE 25<sup>th</sup>, 2008**

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**RATIFICATION OF THE STOCK OPTION PLAN**

**BE IT RESOLVED** that the Corporation's Stock Option Plan is hereby ratified and confirmed.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**SUMMARY: STOCK OPTION INCENTIVE PLAN**

**(As approved by the TSX Venture Exchange)**

**PURPOSE:**

The purpose of this Stock Option Plan (the “Plan”) is to encourage common stock ownership in Midlands Minerals Corporation (the “Company”) by directors, officers, employees (including part time employees employed by the Company for less than (20) hours per week) and consultants (including individuals whose services are contracted through a personal holding company) of the Company or any Affiliate, as that term is defined in the Securities Act (Ontario), of the Company or by personal holding companies of any such officers, directors or employees or by registered retirement savings plans established by any such officers, directors or employees (hereinafter referred to as “Optionees”) who are primarily responsible for the management and profitable growth of its business.

The Plan is intended to advance the interests of the Company by providing additional incentives for superior performance by such persons and to enable the Company to attract and retain valued directors, officers and employees by granting options (the “Options” or “Option”) to purchase common shares of the Company on the terms and conditions set forth in this Plan and any Stock Option Agreements entered into between the Company and the Optionees in accordance with the Plan.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**SCHEDULE B**

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Corporation was accepted as a Tier 2 Corporation by the TSX Venture Exchange and completed the listing of its shares on the TSX Venture Exchange on April 4, 2005.

The Board of Directors of the Corporation is made up of five (5) independent directors out of a total of seven (7) directors. Two (2) directors are related to each other. The Directors explicitly assume responsibility for the stewardship of the Corporation, and as part of the overall stewardship responsibility, should assume responsibility for the following matters:

1. Adoption of a strategic planning process;
2. The identification of the principal risks of the corporation's business and ensuring the implementation of appropriate systems to manage these risks;
3. Succession planning, including appointing, training and monitoring senior management;
4. A communications policy for the Corporation, and
5. The integrity of the Corporation's internal control and management information systems.

In addition to the above statement of corporate governance, the Corporation has a Code of Conduct in place, governing the conduct of the business of the Corporation by the directors, employees, advisors and consultants.

## **MIDLANDS MINERALS CORPORATION**

### **CODE OF CONDUCT**

#### **INTRODUCTION POLICY**

Midlands Minerals Corporation (“the Company”) is committed to fair dealing and integrity in the conduct of its business. This commitment is based on a fundamental belief that business should be conducted honestly, fairly and in compliance with both the spirit and the letter of applicable laws. The Company expects all its Advisors, members of its Board of Directors, and all its Employees to share its commitment to high standards.

This Policy outlines the Company’s Code of Business conduct (“the Code”) which applies to all Employees, Advisors, and members of the Board of Directors. For purposes of this Code, “Employee” means any person holding a full time, part-time or contracted salaried or paid position with the Company, or a person who is receiving other forms of compensation for time and or services.

The Code is in place to ensure that everyone at the Company is working with the sole purpose of doing what is best for our shareholders with no real or perceived conflict of interest. In the exploration and development business, there are no higher ethical values than truth, honesty and professionalism.

This Code also covers all matters related to any potential conflict that could result from knowledge of insider information and the confidentiality that is implicit within the release of insider information other than through recognized public vehicles for disseminating information to the public. The Code also implies a “black out” period with respect to the buying and selling of shares where insider information is a factor. The Code also covers the obligation that each employee, advisor or member of the board has to report any business practice or behaviour that is unbecoming of Midlands Minerals Corporation.

Our reputation is our most important asset and it has taken many years to build that. As such, we cannot allow our reputation and hence the livelihood of everyone working at the Company to be put at risk by actions of any one individual. The Code is designed to inform you about the Company’s principles and values and what the Company considers appropriate business practice and behaviour.

Compliance with this Code by Advisors, members of the Board of Directors, Officers and all Employees of the Company is mandatory and is one of the conditions of employment, association and membership to the Company’s Board of Directors.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**UNDERSTANDING THE CODE**

Please study the Code carefully so that you understand the expectations and obligations inherent in the Company's commitment to conducting business ethically.

Each person should apply the Code using common sense and with the intention of complying fully with both the written words and the spirit underlying those word.

If a person is in doubt about the application of the Code, the person should discuss the matter with the Chief Executive Officer or with the Chief Financial Officer in a timely manner.

**MONITORING PROCEDURES**

If a person becomes aware of, or suspects, a contravention of the Code, the person must promptly and confidentially advise the Company as set out in the Contravention of the Code section of this Policy. The matter will be investigated and dealt with as set out in that section.

Each year, every Employee and members of the Board of Directors will be asked to review the Code and will be reminded of their responsibility to advise the Company if they are not in compliance with the Code or if they are aware of any contravention of the Code.

# **MIDLANDS MINERALS CORPORATION TSX-V: MEX**

## **Management Information Circular**

### **SCHEDULE C**

#### **THE AUDIT COMMITTEE'S CHARTER**

As a TSX Venture Exchange listed company, the Corporation is required to have an approved audit committee (the "Audit Committee") for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. The Audit Committee charter (the "Charter") adopted by the board of directors of the Corporation is reproduced in Schedule "C".

#### **Composition of the Audit Committee**

The Audit Committee is comprised of Messrs. Noel Nedrick, Edward Harris and Mark Keatley, all of whom are not members of management. In the opinion of the board of directors of the Corporation, the members of the Audit Committee, collectively, possess the skills and experience necessary in order to discharge the mandate of the Audit Committee as set forth in the Charter, and each member of the Audit Committee is "financially literate" (as such term is defined in the Charter).

At the conclusion of the Meeting, the board of directors of the Corporation will appoint Messrs. Noel Nedrick, Edward Harris and Mark Keatley as members of the Audit Committee for the ensuing year. Each member appointed to the Audit Committee will hold office until the next annual meeting of shareholders or until his office as director is earlier vacated in accordance with the by-laws of the Corporation.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the board of directors.

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied of exemptions in relation to "Non-Audit Services" or any exemption provided by Part 8 of Multilateral Instrument 52-110.

#### **AUDIT COMMITTEE CHARTER**

##### **PURPOSE**

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

## **MIDLANDS MINERALS CORPORATION TSX-V: MEX**

### **Management Information Circular**

#### **AUTHORITY**

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and non-audit services.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from employees - all of whom are directed to cooperate with the committee's requests or external parties.
- Meet with company officers, external auditors, or outside counsel, as necessary.

#### **COMPOSITION**

The audit committee will consist of at least three and no more than six members of the board of directors. The board or its nominating committee will appoint committee members and the committee chair.

Each committee member will be both independent and financially literate. At least one member shall be designated as the “financial expert,” as defined by applicable legislation and regulation.

#### **MEETINGS**

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

#### **RESPONSIBILITIES**

The committee will carry out the following responsibilities:

##### **Financial Statements**

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

## MIDLANDS MINERALS CORPORATION TSX-V: MEX

### Management Information Circular

- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing *Standards*.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

#### **Internal Control**

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

#### **Internal Audit**

- Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

#### **External Audit**

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.

## **MIDLANDS MINERALS CORPORATION TSX-V: MEX**

### **Management Information Circular**

- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

#### **Compliance**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the Code of Conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

#### **Reporting Responsibilities**

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

#### **Other Responsibilities**

- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

**MIDLANDS MINERALS CORPORATION TSX-V: MEX**  
Management Information Circular

**Additional Information**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31<sup>st</sup>, 2007.

In addition, copies of the Corporation's most recent annual information form, together with any document incorporated therein by reference, the annual report, the annual financial statements and management's discussion and analysis, and this management information circular may be obtained upon request to Midlands Minerals Corporation, 1210 Sheppard Avenue East, Suite 302, North York, Toronto, Ontario Canada M2K 1E3.

**PART IV – OTHER BUSINESS**

Management knows of no matters which will come before the Meeting other than the matters referred to in the Notice of Meeting. If however, other matters should properly come before the Meeting, the persons named in the enclosed proxy form will vote on these matters in accordance with their best judgement.

The Corporation's corporate and other financial information is included in the consolidated financial statements of the Corporation and notes thereto for the fiscal year ended December 31, 2007 and in the TSX Venture Exchange Filing Statement filed on SEDAR. Copies of the foregoing document and additional information concerning the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained upon request from the Corporation at:

**Midlands Minerals Corporation, 1220 Sheppard Avenue East, Suite 402, Toronto, Ontario Canada M2K 2S5. Tel: +(416) 492-6992 Fax: +(416) 492-6993**





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