



120 Adelaide Street West, Suite 2400
Toronto, Ontario M5H 1T1 Canada
416-637-3523

www.midlandsminerals.com

Management Information Circular
Dated May 11, 2012

MIDLANDS MINERALS CORPORATION
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that Midlands Minerals Corporation (the “**Corporation**”) will hold its annual and special meeting of shareholders (the “**Meeting**”) at the Toronto Board of Trade – Downtown Centre, 1 First Canadian Place, Suite 350, Toronto, Ontario, Canada, on Monday, June 25, 2012, at 10:00 am (Eastern Standard Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2011, and the auditor’s report on those statements;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation and authorize the directors to fix the auditors’ remuneration;
4. to consider, and if deemed advisable, to pass, without variation, an ordinary resolution confirming the Corporation’s stock option plan;
5. to consider, and if deemed advisable, to pass, without variation, an ordinary resolution confirming the Corporation’s shareholder rights plan; and
6. to transact any other business properly brought before the Meeting.

Holders of common shares are invited to attend the Meeting. Shareholders of record as at the close of business on Wednesday, May 10, 2012, will be entitled to notice of and to vote at the Meeting.

A detailed description of the matters to be acted upon at the Meeting is set forth in the accompanying management information circular of the Corporation dated May 11, 2012 (the “**Information Circular**”).

Copies of: (a) this notice of annual and special meeting of shareholders; (b) the Information Circular; and (c) a management form of proxy and instructions in relation thereto (the “**Management Proxy**”) may be obtained at the following office: Midlands Minerals Corporation, 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1, or will be sent to a shareholder without charge upon request by calling 416.637.3523.

DATED the 11th day of May, 2012.

By Order of the Board of Directors

(Signed) “Craig Pearman”

President & CEO



May 22, 2012

Dear Shareholders:

Subsequent to the shareholder's meeting in June 2011, during which the historical management team was changed, Midlands experienced a further year of tumult. Various issues continue to endure and are being actively managed to bring about lasting resolution and to improve shareholder value.

Following the proxy vote BayFront Capital served as an interim management team and administered the Company until a full-time management team could be employed. A new board was constituted and the Company was refinanced. By December 2011 I was employed as President and CEO for effective duty in January 2012. In March 2012 Dominique Fournier was employed as Vice President Exploration and immediately started the task of corralling the data and focusing the exploration process.

A number of legal concerns were encountered subsequent to the proxy vote - the largest was amicably resolved out of court. The most serious and hitherto unresolved issue occurred during the proxy event; Midlands' local joint venture partner on the Sian-Praso project determined to terminate the shareholder's agreement and has continued to hold this view to date. The local communities were turned against the Company and the Company was not able to safely access the project. The main grievance of the joint venture partner is that Midlands has not put the project back into production as quickly as he originally hoped.

In late January 2012 Midlands signed a Memorandum Of Understanding with the Obo Traditional Council in which the Council agreed to assist Midlands to resolve further issues and to mediate when necessary, to ensure unfettered access to the concession, and to assist Midlands to develop a comprehensive program to address some of the socio-economic issues affecting the community. Midlands agreed to continue operating by the terms that govern the mining lease and associated permits and to engage the community with information and community development initiatives. This agreement represents the wishes of the community authorities but does not represent the view of a small minority of the community who support the joint venture partner and obstruct further activities.

A 10,000 meter contract was signed with Geodrill in February 2012 for drilling at Sian-Praso but Midlands was requested by various regional and district authorities to withdraw the rig in the interests of peace in the area. Midlands has used March and April 2012 to communicate with, and to ensure that, the full community and every level of governance in Ghana are well briefed on the obstructive events the Company is facing. In March 2012 an illegal and financed aggressive demonstration against the Company's operational site was stopped with police support, and in early May a legal demonstration was conducted peacefully and a petition was provided to Midlands from the community requesting that drilling stop and that mining start to create job opportunities in the area.

At Midlands request the Minerals Commission have held a series of mediation meetings to fast-track a resolution between the two partners. At the time of writing both companies are awaiting a directive from the Minerals Commission which is expected to schedule a timeframe within which the partners must find a commercial solution and to continue operating to avoid the potential for a retraction of the Akroma mining lease.

Another attempt at drilling is planned for late May with police support, and security operations have been reinforced in conjunction with an increase in community relations and education efforts. The Company is establishing various mutual Midlands-community committees to manage sensitive issues and to encourage transparency and dialogue. With continued safe access, Midlands plans to re-log the Esaase deposit in order to: facilitate a 3D modelling of the structural conduits that host the mineralization; to provide geological boundaries to refine and upgrade the current NI 43-101 resource estimate; and, to vector further exploration and resource drilling. Without further obstruction, a provisional plan is in place to update the resource in Q3-Q4 2012.

During the last year 9,519 meters of RC and 1,995 meters of core was drilled into soil geochemical anomalies on the Kaniago project, mostly at the Kaniago West and Mmooho target areas. The encouraging intercepts included: 21 meters grading 1.48 g/t gold (from 22 meters) and 7 meters grading 1.45 g/t gold (from 51 meters); 27 meters grading 2.97 g/t gold (from 123 meters); and, 16 meters grading 1.21 g/t gold (from 10 meters). Midlands modeled these mineralized zones in 3D and developed a new geological model for the concession which will be used to drive further exploration discovery. The mineralization shows similarities to the geological setting of the neighbouring resources of PMI Gold and Keegan Resources. Midlands' next phase of work will focus on expanding the potential for large shallow, potentially bulk-mineable gold deposits associated with NNE shear zones along the soil geochemical trends by testing them with systematic fences of aircore drilling. Midlands is also engaging in corporate activity in relation to the concession.

During the last year Midlands has been granted an additional 11 permits in Tanzania which were applied for a few years ago. These projects are located within the Geita-Bulyanhulu-Itilima-Sekenke Trend and the Kilindi-Handeni Trend. New management has ranked and prioritised targets on the 22-permit portfolio and is currently reviewing its exploration strategy in Tanzania and assessing corporate options to develop the properties and to maximize value from this portfolio for Midlands's shareholders.

In summary, at the time of writing, the Company has made the following pertinent steps during the last year:

1. A technical management team with a strong African experience has been employed to drive the exploration process. The Company's historical data set has been rejuvenated and exploration procedures systemized for increased control.
2. Midlands has seen some fundamental changes within a year which have created uncertainty and concern. Whilst some of the issues remain unresolved, the asset base remains intact and, with government support, discussions on the Sian-Praso project are reaching a climax point with some form of resolution with the joint venture partner expected shortly.
3. Exploration on the Kaniago project has provided measurable success during the last year and times well with the imminent completion of PMI Gold's feasibility study on neighbouring concessions.

4. The Company is evaluating numerous corporate strategies to retain cash during these difficult markets whilst concurrently focusing the exploration effort across the African portfolio to accelerate bringing a property into production.

Sincerely,

“Craig Pearman”

Craig Pearman
President & CEO



MIDLANDS MINERALS CORPORATION

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by management (“**Management**”) of Midlands Minerals Corporation (the “**Corporation**”), of proxies to be used at the annual and special meeting of shareholders (the “**Meeting**”) of the Corporation to be held at Toronto Board of Trade - Downtown Center, 1 First Canadian Place, Suite 350, Toronto, Ontario, Canada, on Monday, June 25, 2012, at 10:00 am (Eastern Standard Time) for the purposes set forth in the accompanying notice of annual and special meeting (the “**Notice**”).

Except as otherwise indicated, information herein is given as at May 11, 2012. In this Information Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified. All references herein to the Corporation shall include its subsidiaries as the context may require.

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on May 10, 2012 as the record date (the “**Record Date**”) for the Meeting. Only shareholders of the Corporation (each a “**Shareholder**” and collectively, the “**Shareholders**”) of record as at 5:00 pm (Eastern Standard Time) as at the Record Date will be entitled to receive the Notice 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/its common shares in the Corporation (the “**Common Shares**”) after the Record Date, and the transferee of these shares produces properly endorsed share certificates or otherwise establishes that he/she/it owns such shares, as the case may be, and demands, at least ten (10) days before the Meeting, that his/her/its name be registered on the list of Shareholders entitled to vote, the transferee is entitled to vote such shares at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Each Shareholder has the right to appoint a person or company, who need not be a Shareholder, other than the persons named in the enclosed form of proxy, to represent such Shareholder at the Meeting or any adjournment(s) thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of Management’s nominees in the Management Proxy or by completing another proper form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the Corporation’s transfer agent, Equity Financial Trust Company (“**Equity**”), 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.

A Shareholder forwarding the enclosed Management Proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the proxy.

In addition to revocation in any other manner permitted by law, a Management Proxy or other form of proxy may be revoked if it is received not later than 10:00 am (Eastern Standard Time) on Thursday, June 21, 2012 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting, by completing and signing a proxy bearing a later date and depositing it with Equity on behalf of the Corporation.

Registered Shareholders (a “**Registered Shareholder**”) can choose from three different ways to vote their Common Shares by Management Proxy: (a) by mailing or delivering the Management Proxy in the addressed prepaid envelope provided; (b) by depositing the Management Proxy at the offices of Equity Transfer and Trust Company, Proxy Department; or (c) by faxing the Management Proxies to Equity at 416.361.0470 to the attention of: Proxy Department. Management Proxies must be received not later than 10:00 am (Eastern Standard Time) on Thursday, June 21, 2012, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the Management Proxy is to be used.

EXERCISE OF DISCRETION BY PROXIES

Common Shares represented by properly executed proxies in favour of the persons named in the enclosed Management Proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where Shareholders have properly executed proxies in favour of the persons named in the enclosed Management Proxy and have not specified in the Management Proxy the manner in which the named proxies are required to vote the Common Shares represented thereby, such Common Shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed Management Proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, neither Management nor the directors of the Corporation (each a “**Director**” and collectively, the “**Directors**”) are aware of any such amendments, variations or others matters to come before the Meeting. However, if any other matters which at present are not known to Management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

Registered Holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Distribution to NOBOs

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the

Corporation will have caused its agent to distribute copies of the Notice and this Information Circular (collectively, the “**meeting materials**”) as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

These securityholder materials are being sent to both registered holders of the securities and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Corporation’s agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

Distribution to OBOs

In addition, the Corporation will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (“**Objecting Beneficial Owner**” or “**OBO**”).

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge Financial Solutions, Inc. to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Equity in the manner set out above in this Information Circular, with respect to the Common Shares beneficially owned by such OBO; or
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, Management 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 officers of the Corporation (each an “**Officer**”) and Directors since the beginning of the last financial year, each proposed Director and each associate or affiliate of such persons, have an interest in the ratification of the Corporation’s stock option plan (the “**Stock Option Plan**”), as such persons may be granted stock options (the “**Options**”) under the Stock Option Plan.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 194,228,231 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 Officers, 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 ten percent (10%) of the voting rights.

MATTERS TO BE ACTED UPON AT THE MEETING

1. PRESENTATION OF FINANCIAL STATEMENTS FOR 2011

A copy of the audited consolidated financial statements of the Corporation for the year ended December 31, 2011, can be found on the Corporation’s SEDAR profile at www.sedar.com. A copy can also be obtained on request by contacting the Corporation at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1, Attention: Leslie Haddow, Corporate Secretary.

2. ELECTION OF DIRECTORS

The articles of incorporation provide that the Board consist of a minimum of three (3) and a maximum of fifteen (15) Directors. The number of Directors is currently set at seven (7). The nominees are, in the opinion of the Board, well qualified to act as Directors for the coming year. Each nominee has established his eligibility and willingness to serve as Director, if elected. Each duly elected Director will hold office until the next annual meeting of Shareholders or until a successor is duly elected, unless his or her office is earlier vacated in accordance with the articles of the Corporation.

Corporate Cease Trade Orders

To the Corporation’s knowledge, no proposed Director is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed Director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a director, chief executive officer or chief financial officer and which

resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the Corporation’s knowledge, no proposed Director:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person 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 its assets; or
- (b) has, within the 10 years before the date of this Information Circular, 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 assets of the director, executive officer or shareholder.

Following approval of these appointments by the Shareholders as the case may be, the Board of Directors will be composed of five (5) independent Directors, and one (1) non-independent Director who is an employee of the Corporation, for a total of six (6) Directors.

The following table sets out the names and municipalities of residence of each member of the Board, their principal occupation or employment, and the number of Common Shares and any other securities of the Corporation beneficially owned by each, directly or indirectly or over which they exercise control or direction. Each elected nominee will hold office until the close of the next annual meeting of Shareholders or until a successor is elected or appointed, unless such nominee’s office is earlier vacated.

Name and Municipality of Residence	Director Since	Present Occupation and Positions Held During Last Five Years	No. of Common Shares of the Corporation Beneficially Owned and Controlled
R. John Carruthers ⁽¹⁾ Oshawa, Ontario, Canada	June 2, 2004	Retired. Previously: Director of Industrial Business Development with Casebank Technologies Inc.	384,150
Mark B. Keatley ⁽¹⁾ London, England	September 9, 2004	Chief Financial Officer of a UK firm Actavis Sarl	625,000
Nick Tintor ⁽²⁾ Toronto, Ontario, Canada	June 30, 2011	Chief Executive Officer and President of Caracara Silver Inc., Ferrum America Mining Inc., and Founding Partner of RG Mining Investments Inc. Previously: President and Chief Executive Officer of Southern Andes and Homeland Uranium. .	Nil
Ace Anan Ankomah Accra, Ghana	N/A	Managing Partner at Bentsi-Enchill, Letsa & Ankomah Senior Lecturer, Ghana School of Law	Nil
Craig Pearman	N/A	President and Chief Executive	Nil

Name and Municipality of Residence	Director Since	Present Occupation and Positions Held During Last Five Years	No. of Common Shares of the Corporation Beneficially Owned and Controlled
Accra, Ghana		Officer of the Corporation Previously: Chief Exploration Geologist at Kinross Chirano Gold Mines; Consultant Geologist at Newmont Ghana Gold Ltd; and Exploration Manager / Managing Director at Birim Goldfields Ghana Ltd.	
James Garcelon ^{(1) (2)} Toronto, Ontario Canada	N/A	Principal and Founder of Grove Capital Group and CEO of Telferscot Resources Previously: Managing Director, Head of Institutional Sales at National Bank Financial.	500,000
Ralph Lean Toronto, Ontario Canada	N/A	Partner at Cassels Brock & Blackwell LLP	Nil

Notes:

⁽¹⁾ Member of Audit Committee. Mr. Keatley is the Chair.

⁽²⁾ Member of Corporate Governance and Compensation Committee. Mr. Tintor is the Chair.

Several of the proposed Directors serve as directors of other reporting issuers. Currently, the following proposed Directors serve on the board of directors of other public companies as listed below.

Director	Public Company Board Membership
Nick Tintor	DNI Metals Inc., Caracara Silver Inc., Ferrum Americas Mining Inc. and Macusani Yellowcake Inc.
James Garcelon	Telferscot Resources Inc., Homeland Uranium Inc.
Ralph Lean	Score Media Inc.

Management, and the Directors do not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the persons named in the Management Proxy reserve the right to vote FOR another nominee in their discretion.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the election of R. John Carruthers, Craig Pearman, Nick Tintor, John Vettese, Mark B. Keatley, Ace Anan Ankomah and James Garcelon as Directors, unless you specifically direct that your vote be withheld.

3. RE-APPOINTMENT AND REMUNERATION OF AUDITORS

Management recommends that Schwartz Levitsky Feldman, Chartered Accountants (“SLF”), which firm has served as auditors of the Corporation since 2007, be re-appointed as the auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to

authorize the Directors to fix the auditors' remuneration. Management is seeking the approval of a majority of the votes cast at the Meeting for SLF to be so appointed.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the appointment of SLF, as auditors of the Corporation and to authorize the Board to fix the auditor's remuneration, unless you specifically direct that your vote be withheld.

4. CONFIRMATION OF THE STOCK OPTION PLAN

On May 19, 2004, the Directors adopted the Stock Option Plan, in substantially its current form, which was subsequently approved by the Shareholders. The purpose of the Stock Option Plan is to attract, retain and motivate Directors, Officers, employees and consultants (collectively, the "**Participants**") by providing them with the opportunity, through the granting of Options, to acquire a proprietary interest in the Corporation and benefit from its growth. In Management's view, the ability to grant Options as a means of compensating Participants contributes to the Corporation's overall financial performance. As such, Management considers that the Stock Option Plan is beneficial to the Corporation as it provides the Corporation with greater flexibility to compensate eligible Participants with grants of Options and encourage Participant ownership of the Corporation.

The Stock Option Plan is a "rolling" plan. The policies of the TSX Venture Exchange ("**TSX-V**") 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 at each annual and special meeting.

The Stock Option Plan provides that eligible persons there under 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.

Summary of Stock Option Plan

The full Stock Option Plan is available from the Corporation upon request. 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 Stock Option Plan) is a maximum of 10% of the issued and outstanding Common Shares.
2. No one person shall be issued Options representing more than 5% of the issued and outstanding Common Shares in any 12 month period.
3. All Options will be non-assignable and non-transferable and may be granted for a term not exceeding five years, unless the Corporation is listed on Tier 1 of the TSX-V in which case the Options may be granted for a term not exceeding ten years.
4. The exercise price of Options issued may be issued at the market price of the Common Shares as listed on the TSX-V, subject to any discounts permitted by applicable legislative and regulatory requirements.
5. No financial assistance can be provided by the Corporation to Option holders to facilitate the purchase of Common Shares under the Stock Option Plan.
6. The Stock Option Plan also contains anti-dilution provisions usual to plans of this type.

7. If an optionholder 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.
8. Investor relations persons may not be granted Options exceeding 2% of outstanding Common Shares and such Options must vest over one year with no more than 25% of the Options vesting in each quarter.

The Shareholders will be requested at the Meeting to pass the following resolution, without variation:

“IT IS HEREBY RESOLVED, THAT:

1. The Stock Option Plan, the material terms of which are summarized in this Information Circular is hereby ratified and the Board is hereby authorized, without further approval of the Shareholders, to make any further amendments to the Stock Option Plan as may be required by the TSX-V.
2. Any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the Stock Option Plan and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the Stock Option Plan Resolution, unless you specifically direct that your vote be voted against the Stock Option Plan Resolution.

5. CONFIRMATION OF SHAREHOLDERS RIGHTS PLAN

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution confirming the adoption of the Corporation’s shareholder rights plan (the “**Rights Plan**”). The Rights Plan was approved by the Shareholders on June 25, 2009. A summary of the principal terms of the Rights Plan is set out below and is qualified in its entirety by reference to the text of the Rights Plan between the Corporation and Equity, as rights agent. A copy of the Rights Plan is available to any Shareholder by written request to the Corporation at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1, Attention: Leslie Haddow, Corporate Secretary. The full text of the Rights Plan can also be viewed in electronic format on the Corporation’s SEDAR profile at www.sedar.com. All capitalized terms used in this section and not otherwise defined herein shall have the meanings ascribed thereto in the Rights Plan.

The Rights Plan is designed to: provide adequate time for Shareholders and the Board to consider and evaluate any unsolicited takeover bid for the Corporation; to provide the Board with adequate time to identify, develop, and negotiate alternatives for maximizing Shareholder value; to provide Shareholders with an equal opportunity to participate in any takeover bid; to encourage the fair treatment of Shareholders in the event of any bid for the Corporation; and to give Shareholders adequate time to make an informed decision about any proposed transaction.

The Corporation is not aware of any pending or threatening bid for the Corporation. The Rights Plan, which has a term of three years, is similar to those adopted by other Canadian publicly listed companies and is consistent with current Canadian corporate practice.

The rights issued under the Rights Plan (the “**Rights**”) will become exercisable only if a person, together with his or her affiliates, associates and joint actors acquires or announces the intention to acquire beneficial ownership of the Common Shares which, when aggregated with current holdings, total 20% or more of the Common Shares (determined in the manner set out in the Rights Plan), other than a Permitted Bid (as defined in Rights Plan).

A Permitted Bid must be made by way of a takeover bid circular prepared in compliance with applicable securities laws, and, among other conditions, must remain open for 60 days and may be taken up only if more than 50% of the shares held by Shareholders other than the bidder have been tendered to the takeover bid.

In the event that the takeover bid does not meet the Permitted Bid requirements of the Rights Plan, the Rights will entitle Shareholders, other than a Shareholder making the takeover bid, to purchase additional Common Shares at a substantial discount to the market price of the Common Shares at that time.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass a resolution substantially in the following form (the “**Rights Plan Resolution**”):

“IT IS HEREBY RESOLVED, THAT:

1. The Rights Plan dated September 30, 2008 is hereby ratified and confirmed as the Rights Plan of the Corporation, and the entering into of the Rights Plan by the Corporation with Equity Financial Trust Company, as rights agent, to implement the Rights Plan and to issue Rights thereunder, is hereby ratified and confirmed.
2. Any director or officer of the Corporation is hereby authorized to execute and deliver, whether under corporate seal or otherwise, any agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such Director or Officer in his or her discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution.”

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RIGHTS PLAN RESOLUTION. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RIGHTS PLAN RESOLUTION.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the Rights Plan Resolution, unless you specifically direct that your vote be voted against the Rights Plan Resolution.

6. OTHER MATTERS

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of Management Proxy and voting instruction confers discretion on the persons named on the form of Management Proxy to vote on such matters in accordance with their best judgment.

EXECUTIVE COMPENSATION

For purposes of this Information Circular, a “**Named Executive Officer**” of the Corporation means an individual who, at any time during the year, was:

- (a) the Corporation’s chief executive officer (“**CEO**”);
- (b) the Corporation’s chief financial officer (“**CFO**”);
- (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Based on the foregoing definition, during the last completed financial year of the Corporation, there were six (6) Named Executive Officers.

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis focuses on the design of the compensation program for the Corporation’s Named Executive Officers as provided for in National Instrument 51-102. For the 2011 financial year, the Named Executive Officers are:

Named Executive Officer	Position
Craig Pearman	President and Chief Executive Officer ⁽¹⁾
Rob Chalmers	Former Acting Chief Executive Officer ⁽²⁾
Kim F. Harris	Former President and Chief Executive Officer ⁽³⁾
Stephen Gledhill	Chief Financial Officer ⁽⁴⁾
Rakesh Malhotra	Former Chief Financial Officer ⁽⁵⁾
Paul Singer	Former Chief Financial Officer ⁽⁶⁾

Notes:

⁽¹⁾ Mr. Pearman was appointed the President and CEO of the Corporation on December 1, 2011.

⁽²⁾ Mr. Chalmers ceased acting as the CEO on November 30, 2011, but was retained for the month of December 2011, during the transition to Mr. Pearman.

⁽³⁾ Ms. Harris ceased being an officer and director of the Corporation on June 30, 2011 but continued to be engaged by the Corporation as a consultant pursuant to a consulting agreement dated June 30, 2011.

⁽⁴⁾ Mr. Gledhill was appointed the CFO of the Corporation on August 1, 2011.

⁽⁵⁾ Mr. Malhotra was appointed as CFO on June 20, 2011 and ceased being the CFO as of July 31, 2011.

⁽⁶⁾ Mr. Singer ceased being the CFO as of June 20, 2011.

Objectives of Compensation Program

The Corporation's principal goal is to create value for its Shareholders. The Corporation believes that the compensation policies and practices of the Corporation should reflect the interests of its Shareholders in achieving this goal and is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals.

Elements of Executive Compensation

The Corporation's current executive compensation program has two principal components: base salary and Options.

Base salaries for all employees of the Corporation are established for each position based on industry standards and performance based on expectations and goals. Both individual and corporate performances are also taken into account. Base salaries form an essential component of the Corporation's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. To ensure the Corporation attracts and retains qualified and experienced executives, adjustments are made to the base salaries of executive officers.

Options are granted to provide an incentive to the Participants to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The Corporation awards Options to the Participants based upon the decision of the Board which decision is based upon the review of a proposal from the Chair of the Corporate Governance and Compensation Committee. Previous grants of Options are taken into account when considering new grants.

There are no perquisites, or deferred payments payable to Named Executive Officers, and the Corporation has no other awards, bonuses, or other compensation other than the base salaries and participation in the Stock Option Plan.

Compensation Philosophy

The Corporation's compensation philosophy is based upon the following principles and objectives:

1. attracting, motivating and retaining individuals with exceptional executive, technical, financial, and other relevant skills;
2. aligning the interests of the executive officers of the Corporation with the interests of the Corporation and its Shareholders; and
3. linking executive compensation to the performance of the Corporation and each particular officer of the Corporation.

Performance Criteria

The Corporation has not yet established a formal compensation program, however discussions are on-going in this regard. Until a formal compensation program is established, compensation of the executive officers is as determined by the Board at its discretion. The Corporation intends to implement a formalized compensation program that will seek to tie individual goals to the executive officer's area of primary responsibility. In the interim the criteria considered in determining performance vary in accordance with the position and responsibilities of the executive officer of the Corporation. While not solely based on any one item, key considerations in determining performance for executives of the Corporation include acquisition and management of mineral properties with geological merit as well as the operating performance of the Corporation, the guidance and strategic vision for growth and business

goals of the Corporation, the performance of the Corporation's Common Shares and other organizational indicators, as well as individual achievements that demonstrate a contribution by the executive officers to the Corporation.

Consideration of Risks of Compensation Policies and Practices

In light of the Corporation's size and the balance between long-term objectives and short-term financial goals with respect to the Corporation's compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

Purchase of Financial Instruments

The Corporation does not currently have a policy that restricts Named Executive Officers or Directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or Director. However, to the knowledge of the Corporation as of the date of hereof, no Named Executive Officer or Director has participated in the purchase of such financial instruments.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended December 31	Salary (\$)	Share-based awards	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value	All other compensation (\$)	Total compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
Craig Pearman ⁽¹⁾ President and Chief Executive Officer	2011	\$Nil	\$Nil	\$Nil	N/A	N/A	N/A	\$Nil	\$16,666
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rob Chalmers ⁽²⁾ Former Acting Chief Executive Officer	2011	\$150,000	1,000,000	\$50,000	N/A	N/A	N/A	\$Nil	\$200,000
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kim F. Harris ⁽³⁾ Former President and Chief Executive Officer	2011	\$695,592 ⁽⁴⁾	\$Nil	\$Nil	N/A	N/A	N/A	\$72,000 ⁽⁴⁾	\$767,592
	2010	\$190,595	\$Nil	\$1,157,420	N/A	N/A	N/A	\$45,742	\$1,393,757
	2009	\$173,674	\$Nil	\$66,296	N/A	N/A	N/A	\$41,674	\$281,674
Stephen Gledhill ⁽⁵⁾ Chief Financial Officer	2011	\$62,000	\$Nil	\$10,000	N/A	N/A	N/A	N/A	\$72,000
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rakesh Malhotra ⁽⁶⁾ Former Chief Financial Officer	2011	\$32,575	\$Nil	\$Nil	N/A	N/A	N/A	\$Nil	\$32,575
	2010	7,800 ⁽⁶⁾	\$Nil	\$Nil	N/A	N/A	N/A	\$Nil	\$7,800
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Singer ⁽⁷⁾ Former Chief Financial Officer	2011	\$12,000	\$Nil	\$Nil	N/A	N/A	N/A	\$Nil	\$12,000
	2010	\$20,000	\$Nil	\$61,746	N/A	N/A	N/A	\$Nil	\$81,746
	2009	\$22,000	\$Nil	\$15,057	N/A	N/A	N/A	\$Nil	\$37,057

Notes:

⁽¹⁾ Notwithstanding Mr. Pearman's appointment as the President and Chief Executive Officer of the Corporation on October 26, 2011, Mr. Pearman only began his employment with the Corporation on December 1, 2011 and therefore received one month's salary from the Corporation in 2011.

⁽²⁾ Mr. Chalmers was not directly employed by the Corporation but acted as the CEO in connection with the agreement between BayFront Capital Partners and the Corporation and this amount represents the amount that Mr. Chalmers was paid by BayFront that is attributable to the services provided to the Corporation as acting CEO.

⁽³⁾ Ms. Harris ceased being an officer and director of the Corporation on June 30, 2011 but continued to be engaged by the Corporation as a consultant pursuant to a consulting agreement dated June 30, 2011.

⁽⁴⁾ Salary amounts include salary paid until June 30, 2011; accrued vacation pay and severance. Other compensation amounts paid pursuant to a consulting agreement with the Corporation dated June 30, 2011, whereby Ms. Harris receives \$12,000 per month.

⁽⁵⁾ Mr. Gledhill is not directly employed by the Corporation but acts as the CFO in connection with the agreement between RGMI (as defined below) and the Corporation and this amount represents the amount paid by the Corporation to RGMI for services provided pursuant to the agreement.

⁽⁶⁾ Mr. Malhotra was appointed as CFO on June 20, 2011 and ceased being the CFO as of July 31, 2011. Salary amounts in 2010 are applicable for Mr. Malhotra as VP Finance.

⁽⁷⁾ Mr. Singer ceased being the CFO as of June 20, 2011.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of December 31, 2011.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Craig Pearman	N/A	N/A	N/A	N/A	N/A	N/A
Rob Chalmers	1,000,000	\$0.10	November 16, 2016	Nil	N/A	N/A
Kim F. Harris	481,019	\$0.45	June 30, 2012 ⁽¹⁾	Nil	N/A	N/A
	440,290	\$0.40	June 30, 2012 ⁽¹⁾	Nil		
	2,555,156	\$0.33	June 30, 2012 ⁽¹⁾	Nil		
	650,000	\$0.25	June 30, 2012 ⁽¹⁾	Nil		
Stephen Gledhill	200,000	\$0.10	November 16, 2016	Nil	N/A	N/A
RGMI	100,000	\$0.10	November 16, 2016	Nil	N/A	N/A

Note:

⁽¹⁾ Pursuant to a departure agreement between Ms. Harris and the Corporation dated June 30, 2011, the expiration date of Ms. Harris' options was extended to June 30, 2012.

INCENTIVE PLAN AWARDS – VALUE VESTED DURING THE YEAR

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2011 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Craig Pearman	N/A	N/A	N/A
Rob Chalmers	\$50,000	N/A	N/A
Kim F. Harris	\$Nil	N/A	N/A
Stephen Gledhill	\$10,000	N/A	N/A
Rakesh Malhotra	\$Nil	N/A	N/A
Paul Singer	\$Nil	N/A	N/A

For further details concerning the incentive plans of the Corporation, please see “*Summary of Stock Option Plan*” below.

EMPLOYMENT AGREEMENTS

All of the Named Executive Officers for the financial year ending December 31, 2011, except for Messrs. Gledhill and Chalmers and Ms. Harris, have or had employment agreements with the Corporation that set salaries and addressed other matters such as long-term incentives, termination and change of control payments. The agreements also provide such Named Executive Officers with the right to various benefits that the Corporation makes available generally to the Corporation's senior executives. Messrs. Gledhill and Chalmers provide or provided their services to the Corporation in connection with agreements between the Corporation and other parties while Ms. Harris provides her services pursuant to a consulting agreement dated June 30, 2011. The Board reviews the executive compensation on an annual basis (with an effective date of January 1 of each year). Below is a summary of the material terms of the employment agreements that were still in effect for the Named Executive Officers as of December 31, 2011 and that are currently employed with the Corporation.

Craig Pearman – President & Chief Executive Officer

The Corporation has entered into an employment contract on October 26, 2011 with Craig Pearman, President and Chief Executive Officer, which has an indefinite term. The agreement became effective on December 1, 2011. Mr. Pearman receives an annual base salary of \$200,000 and has an annual bonus target of 50% of his base salary. Mr. Pearman is also eligible to participate in the Corporation's Stock Option Plan.

Stephen Gledhill – Chief Financial Officer

The Corporation entered into an agreement on August 1, 2011, as amended on October 1, 2011, with RG Mining Investments (“**RGMI**”), through which Stephen Gledhill provides the services of the Chief Financial Officer to the Corporation. This agreement has a 12 month term, ending on September 30, 2012. The agreement shall be thereafter automatically renewed and continued for successive 12 month periods, unless terminated upon 60 (sixty) days prior notice by either party. Mr. Gledhill is not compensated directly by the Corporation but through RGMI. Mr. Gledhill is also eligible to participate in the Stock Option Plan.

Kim F. Harris – Former President & Chief Executive Officer

The Corporation entered into a consulting agreement on June 30, 2011, with Ms. Harris, through which Ms. Harris provides transitional consulting services to the Corporation for a 12 month term. Ms. Harris receives \$12,000 per month. Additionally, pursuant to a departure agreement between Ms. Harris and the Corporation dated June 30, 2011, the expiration date for Ms. Harris' options was extended to June 30, 2012.

For a description of the termination provisions and change of control benefits payable by the Corporation to each Named Executive Officer who has a current employment agreement with the Corporation, see below under the heading “Termination and Change of Control Benefits”.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Craig Pearman's Employment Agreement

The employment agreement with Mr. Pearman provides for the following termination and change of control benefits.

If the Corporation terminates the executive's employment other than for cause Mr. Pearman is owed the sum of one month's base salary per completed year of service with a minimum of three months and a

maximum of 18 months' notice or payment of salary in lieu thereof and a bonus for the year in which termination occurred by reference to the average annual bonus as set out in the employment agreement. Mr. Pearman is also entitled to continue to participate in the Corporation's benefit plans for 24 months or until alternative coverage is obtained. Mr. Pearman's Options will vest immediately and remain exercisable until the earlier of, the termination date of such Option, or the date which is 18 months from the date of such termination.

If there is a change of control of the Corporation and within 12 months' of such change of control Mr. Pearman elects to resign or is terminated, Mr. Pearman is entitled to 12 months base salary if the change of control occurs during his first year of employment and 24 months base salary if the change of control occurs anytime thereafter. He may continue to participate in the Corporation's benefit plans for 24 months or until alternative coverage is obtained. Mr. Pearman's Options will vest immediately and remain exercisable until the earlier of, the termination date of such Option, or the date which is 24 months from the date of such termination.

RGMI's Agreement

The agreement with RGMI, through which Mr. Gledhill provides CFO services to the Corporation, does not provide for termination and change of control benefits upon termination without cause or in the event of a change of control.

Kim F. Harris's Agreement

The consulting agreement with Ms. Harris, through which Ms. Harris provides transitional consulting services to the Corporation, does not provide for termination and change of control benefits upon termination without cause or in the event of a change of control.

Estimated Incremental Payment on Termination

There would have been no incremental payments from the Corporation to Messrs. Pearman or Gledhill or Ms. Harris upon termination without cause in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on December 31, 2011.

Estimated Incremental Payment on Change of Control

There would have been no incremental payments from the Corporation to Messrs. Pearman or Gledhill or Ms. Harris upon termination in connection with a change of control in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on December 31, 2011.

PENSION PLAN BENEFITS

No benefits were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under any pension or retirement plan.

No deferred compensation plans were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under a deferred compensation plan.

COMPENSATION OF DIRECTORS

Directors are reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties but do not receive an annual retainer. Directors are entitled to participate in the Stock Option Plan. There were no long-term incentive awards or pension plan benefits paid to the Directors during the fiscal year ended December 31, 2011.

Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended December 31, 2011, in respect of the individuals who were, during the fiscal year ended December 31, 2011, Directors other than the Named Executive Officers.

Name	Fees Earned	Share-based awards	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation	Pension value	All other compensation	Total (\$)
Edward Harris ⁽²⁾	\$5,000	N/A	\$Nil	\$Nil	\$Nil	\$20,000 ⁽³⁾	\$25,000
Keith Baptist ⁽⁴⁾	\$5,000	N/A	\$Nil	\$Nil	\$Nil	\$Nil	\$5,000
Karl Schmed ⁽⁴⁾	\$5,000	N/A	\$Nil	\$Nil	\$Nil	\$20,000 ⁽³⁾	\$25,000
R. John Carruthers	\$5,000	N/A	\$47,500	\$Nil	\$Nil	\$Nil	\$52,500
Mark Keatley	\$5,000	N/A	\$55,000	\$Nil	\$Nil	\$Nil	\$55,000
Mark Morabito ⁽⁵⁾	\$Nil	N/A	\$50,000	\$Nil	\$Nil	\$Nil	\$50,000
Nick Tintor ⁽⁵⁾	\$Nil	N/A	\$55,000	\$Nil	\$Nil	\$Nil	\$55,000
John Vettese ⁽⁵⁾	\$Nil	N/A	\$50,000	\$Nil	\$Nil	\$Nil	\$50,000
Anthony Wonnacott ⁽⁵⁾	\$Nil	N/A	\$50,000	\$Nil	\$Nil	\$Nil	\$50,000

Notes:

⁽¹⁾ The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model as at the date of grant.

⁽²⁾ Did not stand for re-election and ceased to be a director on June 30, 2011.

⁽³⁾ Change of control payment received in connection with transaction involving BayFront.

⁽⁴⁾ Resigned as a director on June 28, 2011.

⁽⁵⁾ Became a director on June 30, 2011.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Directors other than the Named Executive Officers as of December 31, 2011.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
R. John Carruthers	50,000	\$0.40	February 2, 2014	Nil	N/A	N/A
	150,000	\$0.33	February 16, 2015	Nil		
	175,000	\$0.25	December 23, 2015	Nil		
	950,000	\$0.10	November 16, 2016	Nil		
Mark Keatley	50,000	\$0.40	February 2, 2014	Nil	N/A	N/A
	150,000	\$0.33	February 16, 2015	Nil		
	175,000	\$0.25	December 23, 2015	Nil		
	1,100,000	\$0.10	November 16, 2016	Nil		
Mark Morabito ⁽²⁾	1,000,000	\$0.10	November 16, 2016	Nil	N/A	N/A
Nick Tintor ⁽²⁾	1,100,000	\$0.10	November 16, 2016	Nil	N/A	N/A
John Vettese ⁽²⁾	1,000,000	\$0.10	November 16, 2016	Nil	N/A	N/A
Anthony Wonnacott ⁽²⁾	1,000,000	\$0.10	November 16, 2016	Nil	N/A	N/A

Notes:

⁽¹⁾ Based on the closing market price of \$0.05 of the Common Shares on December 30, 2011.

⁽²⁾ Became a director on June 30, 2011.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2011 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Directors, other than the Named Executive Officers.

Name	Option-based awards – value vested during the year ⁽¹⁾ (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Edward Harris ⁽²⁾	Nil	N/A	N/A
Keith Baptist ⁽³⁾	Nil	N/A	N/A
Karl Schmed ⁽³⁾	Nil	N/A	N/A
R. John Carruthers	47,500	N/A	N/A
Mark Keatley	55,000	N/A	N/A
Mark Morabito ⁽⁴⁾	50,000	N/A	N/A
Nick Tintor ⁽⁴⁾	55,000	N/A	N/A
John Vettese ⁽⁴⁾	50,000	N/A	N/A
Anthony Wonnacott ⁽⁴⁾	50,000	N/A	N/A

Notes:

⁽¹⁾ Based on the closing market price of \$0.05 of the Common Shares on December 30, 2011.

⁽²⁾ Did not stand for re-election and ceased to be a director on June 30, 2011.

⁽³⁾ Resigned as a director on June 28, 2011.

⁽⁴⁾ Became a director on June 30, 2011.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at December 31, 2011. As at December 31, 2011, the Stock Option Plan was the only equity compensation plan of the Corporation. See “Matters to Be Acted Upon - *Summary of Stock Option Plan*”.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Equity compensation plans approved by security holders	13,496,465	\$0.33	5,926,358 ⁽¹⁾
Total	13,496,465	\$0.33	5,926,358 ⁽¹⁾

Note:

⁽¹⁾ Calculated based upon 10% of the number of issued and outstanding Ordinary Shares as at December 31, 2011 (194,228,231 Common Shares), less the number of Options outstanding as at such date.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors or Officers were indebted to the Corporation as of December 31, 2011 or at any time during 2011.

CORPORATE GOVERNANCE PRACTICES

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board, the members of whom are elected by and are accountable to the Shareholders. Corporate governance takes into account the role of the individual members of Management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision-making.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation has established its corporate governance practices. The Corporation’s “Statement of Corporate Governance Practices”, approved by the Directors, is attached to this Information Circular as Appendix “A”.

Board of Directors

The Board currently consists of six members, as noted herein, all of whom are independent pursuant to National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”). Pursuant to NI 52-110, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer’s Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. In assessing whether a Director is independent for these purposes, the circumstances of each Director have been examined in relation to a number of factors.

Three of the Directors serve as a director of another reporting issuer. Currently, the following Directors serve on the board of directors of other public companies as listed below.

Director	Public Company Board Membership
Nick Tintor	DNI Metals Inc., Caracara Silver Inc., Ferrum Americas Mining Inc., and Macusani Yellowcake Inc.
John Vettese ⁽¹⁾	Excelsior Mining Corp. and Alderon Iron Ore Corp.
Anthony Wonnacott ⁽¹⁾	Azul Ventures Inc.

Note:

⁽¹⁾ Mr. Wonnacott and Mr. Vettese are not standing for re-election.

Audit Committee

As a TSX-V listed Corporation, the Corporation is required to have an Audit Committee for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. The Audit Committee's charter (the "**Charter**") is attached as Appendix "B" hereto.

Composition of Audit Committee

As at December 31, 2011, the Audit Committee was composed entirely of independent Directors who meet the independence requirement set out in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). The Audit Committee members were Mark Keatley, R. John Carruthers and Anthony Wonnacott. All current members of the Audit Committee are "financially literate" within the meaning given to such term in the Charter and NI 52-110, and have the ability to understand and evaluate 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 Corporation's financial statements.

Mark Keatley – Mr. Keatley serves as CFO for the Swiss-based pharmaceutical firm Actavis sarl, and is a former CFO of Ashanti Goldfields Company (now part of AngloGold Ashanti). Previous to that Mr. Keatley held senior positions in the IFC (World Bank) and has worked with Ford Motor Company (UK). He has been a Director since September 2005 and is a qualified accountant. Mr. Keatley brings international experience in the mining sector as well as strong financial expertise and a solid knowledge of the African countries in which Midlands operates.

R. John Carruthers – Mr. Carruthers is a retired senior executive, and an engineer by training. He has worked in the steel industry internationally with mid to large cap companies, and has strong operational and managerial expertise. Mr. Carruthers is one of the founding Directors of the Corporation and therefore has specific knowledge of the Corporation's operations and financial history.

Anthony Wonnacott – Mr. Wonnacott is a Toronto-based corporate lawyer, who has served in executive positions with a significant number of publicly traded companies, including several TSX-V companies. Mr. Wonnacott obtained a Bachelor of Commerce (cum laude) from St. Mary's University, a Bachelor of Laws degree from Dalhousie University and has also completed the Canadian Securities Course. Mr. Wonnacott is not standing for re-election and therefore will not be continuing as a director of the Corporation or a member of the Audit Committee.

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 Directors.

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Corporation has not adopted any specific policies in relation to the engagement of non-audit services.

External Auditor Service Fees

- (a) *Audit Fees* - SLF billed the Corporation \$50,000 from January 1, 2011 to December 31, 2011 and \$45,000 from January 1, 2010 to December 31, 2010.
- (b) *Audit-Related Fees* - SLF did not bill the Corporation any amounts from January 1, 2011 to December 31, 2011 or January 1, 2010 to December 31, 2010, for assurance and related services that are reasonably related to the performance of the audits or reviewing the Corporation's financial statements and are not included under "Audit Fees".
- (c) *Tax Fees* - SLF did not bill the Corporation any amounts from January 1, 2011 to December 31, 2011 or January 1, 2010 to December 31, 2010, for services related to tax compliance, tax advice and tax planning.
- (d) *All Other Fees* - SLF did not bill the Corporation any amounts from January 1, 2011 to December 31, 2011 or January 1, 2010 to December 31, 2010, for services other than those reported above.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

Assessments

The Corporate Governance and Compensation Committee, together with the Board is responsible for ensuring that a process is in place for assessing the effectiveness of the Board and each of its committees, along with assessing the contribution of each individual Director at least on an annual basis.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, proposed Director, or any associate or affiliate of an informed person or proposed Director, has or had any material interest, direct or indirect, in any transaction since the commencement of 2011 or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Financial information regarding the Corporation is provided in the Corporation's audited annual consolidated financial statements for the financial year ended December 31, 2011 and the accompanying management's discussion and analysis. Copies of the foregoing and the Annual Information Form of the Corporation for the financial year ended December 31, 2011 may be obtained on written request addressed to the CFO. Written requests for a copy of the above documents should be directed to Leslie Howard, Corporate Secretary, at 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1.

Additional information concerning the Corporation is available online at www.sedar.com.

DIRECTORS' APPROVAL OF CIRCULAR

The contents and the sending of this Information Circular to the Shareholders have been approved by the Board.

DATED at Toronto, Ontario this 11th day of May, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Nick Tintor*"

Nick Tintor
Chairman

APPENDIX “A”
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 six (6) independent directors (John Carruthers, Mark Keatley, Mark Morabito, Nick Tintor, John Vettese, and Anthony Wonnacott). 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.

Candidates of the Board will be recommended to the Board by the Chief Executive Officer and other members of the Board. The Board will then recommend the nominees to the shareholders for election at the annual meeting. In selecting nominees as new directors, the Board will assess the ability to contribute to the effective management of the Company, taking into account the needs of the Company and the individual’s background, experience, perspective, skills and knowledge that is appropriate and beneficial to the Company.

Management and Directors will provide an orientation process for new directors, this includes providing background materials on the Company and its business practices. Additional educational sessions for directors on matters relevant to the Company and its business will be given when required. Directors are also encouraged to take advantage of other available educational opportunities that would further their understanding of the Company’s business and enhance their performance on the Board.

The Chief Executive Officer will make recommendations to the full Board of Directors as to the form and amount of director compensation. The Company recognizes that it is important to set director compensation at an appropriate level so that no director’s independence will be affected. Directors’ compensation will be determined based on these principles as well as comparisons on compensation made by comparable companies to reflect appropriate compensation.

The Audit Committee oversees the establishment of appropriate controls and fraud prevention. It also oversees the disclosures of financial information and the code of ethics. The Corporation encourages ethical business.

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, as well a Social Responsibility and Environmental Policy, copies of which are attached to this Appendix “A” as Schedule A.

APPENDIX “B”
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 “blackout” 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.

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. The matter will be investigated and dealt with.

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.

SOCIAL RESPONSIBILITY AND ENVIRONMENTAL POLICY

The Company is a junior gold and diamond explorer and its exploration objective is the discovery and development of mineral resources that can be mined profitably. The Company works to minimize the social and environmental impact in all its exploration activities and puts the health and safety of its employees first and foremost.

The Company interacts well and effectively with the host and local communities to ensure that its work does not compromise local community values. The Company is committed to its policy on Environment, Health and Safety (“EHS”) issues and it undertakes to:

Comply with EHS regulatory requirements in Canada and in the countries in which the Company operates;

Provide information on EHS to locally hired personnel;

Develop and use EHS practices that are efficient and apply these in all its exploration activities;

Require contractors to comply with applicable legislation and local regulatory requirements

Reclaim exploration and mining sites in compliance with applicable regulations and site specific requirements in the countries in which the Company is operating

Such EHS practices will be reviewed from time to time to take into account technical and economic developments.

APPENDIX “C” 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.

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.
- 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.
- 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 noncompliance.
- 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.

APPENDIX “D”
STATEMENT OF SOCIAL RESPONSIBILITY & ENVIRONMENTAL POLICY

Midlands Minerals Corporation is a junior gold and diamond exploration company, and its exploration objective is the discovery and development of mineral resources that can be mined profitably. The Company works to minimize the social and environmental impact in all its exploration activities, and puts the health and safety of its employees first and foremost.

Currently, Midlands Minerals operates in Ghana and Tanzania. The Company and its employees interact well and effectively with the host and local communities to ensure that its exploration activities do not compromise the values of the local communities.

The Company is committed to its policy on the Environment, Health and Safety (“EHS”) issues and it undertakes to:

- Comply with EHS regulatory requirements in Canada and in the countries in which the Company operates;
- Provide information on EHS to locally hired personnel;
- Develop and use EHS practices that are efficient and apply these in all the Company’s exploration activities;
- Require contractors and consultants to comply with applicable legislation and local regulatory requirements;
- Reclaim exploration and mining sites in compliance with applicable regulations and site specific requirements in the countries in which the Company is operating.

The Company’s aim is to minimize inevitable environment impacts associated with daily operations and regularly reviews its environment policies and business practices to ensure any impact to the environment is minimized and improvements are made.

The Company actively seeks opportunities to minimize consumption of energy and strongly encourage reducing resources used and recycling of recyclable resources.

Such EHS practices will be reviewed from time to time to take into account legal, technical, and economic developments.