



Midlands Minerals Updates on the Sian Gold Project and Grants Options to Directors

Toronto, Ontario – September 4, 2012: Midlands Minerals Corp. (“Midlands” or the “Company”) (TSX-V: MEX) would like to update shareholders on progress being made on the Sian gold project in the Eastern Region of Ghana.

Midlands continues to negotiate with joint venture partner Sian Goldfields on possible commercial solutions to end the dispute between the companies on the Sian Gold Project. The notice period set by the Minerals Commission in Ghana, within which both companies were to communicate a resolution to the impasse, expired on August 8, 2012. Midlands has maintained continuous communication with the Minerals Commission of Ghana (the “Commission”) who have expressed support for the fact that both shareholders are continuing to dialogue and appear to be moving towards an agreement on terms established during the notice period. As such the Commission have indicated that they will reconcile with both parties in the near term but have not yet put any new term structure on the discussions.

The Company announces that it has granted stock options to acquire an aggregate of 3,500,000 common shares to directors of the Company under Midlands’ stock option plan. Each option granted to the directors is exercisable for a five year period to acquire one common share at a price of \$0.10 per share.

About Midlands Minerals:

Midlands Minerals is focused on developing a portfolio of high quality gold exploration projects in Ghana and Tanzania, countries with exceptional histories of gold production and home to some of the most profitable gold mines in Africa. Midlands’ flagship gold property is the 65% owned Sian project, site of a past producing open pit gold mine located in the Ashanti gold belt. Sian has NI 43-101 compliant Indicated gold resources of 2.6 million tonnes grading 2.33 g/t gold (192,400 ounces) and Inferred gold resources of 2.7 million tonnes grading 2.35 g/t gold (203,350 ounces). Extensions to these resources are open along strike and at depth, highlighting the potential to grow the gold resource at Sian. Midlands’ Kaniago gold project is located in Ghana’s Asankrangwa gold belt and is contiguous to two past open pit gold producers: Abore to the north and Obotan to the south. Recent drilling and exploration has produced encouraging results, demonstrating the gold resource potential of the project.

Midlands also holds licences for gold and diamonds in two regions in Tanzania. The first is found in the Lake Victoria Goldfields region and includes its advanced Itilima Gold Project, which lies within the Geita-Bulyanhulu-Sekenke Trend, which hosts over 40 million ounces in gold reserves. The second region lies within the Kilindi-Handeni Trend and includes the New Kilindi-Handeni prospecting licences.

Craig Pearman, a “qualified person” as defined by National Instrument 43-101, has reviewed and approved the technical information and data included in this press release. Additional information on

Midlands can be viewed under the Company's profile at www.sedar.com or on Midlands' website: www.midlandsminerals.com.

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