



**FORM 51-102F3  
MATERIAL CHANGE REPORT  
UNDER NATIONAL INSTRUMENT 51-102**

**Item 1. Name and Address of Company**

Midlands Minerals Corporation (“Midlands” or the “Company”)  
120 Adelaide St. W., Suite 2400  
Toronto, Ontario M5H 1T1

**Item 2. Date of Material Change**

June 20, 2013

**Item 3. News Release**

On June 21, 2013, a news release in respect of the material change was disseminated by the Company through the facilities of Marketwire and subsequently filed on SEDAR.

**Item 4. Summary of Material Change**

On June 21, 2013 Midlands announced that, further to its June 4, 2013 press release, it had entered into a share purchase agreement (the “**Share Purchase Agreement**”), together with its wholly-owned subsidiary, Harbour Capital Corporation (“**HCC**”), to sell HCC’s 130,000,000 shares of Akroma Gold Company Limited (“**Akroma**”) to its joint venture partner Sian Goldfields Limited (“**Sian**”) for an aggregate purchase price of US\$3.4 million (the “**Purchase Price**”). Akroma is the joint venture company holding title to the Sian Mining Lease for the Sian gold project located in the Eastern Region of Ghana (the “**Sian Gold Project**”).

**Item 5. Full Description of Material Change**

**General**

The Share Purchase Agreement between the Company, Sian and HCC (each a “**Party**”) is dated as of June 19, 2013. The Share Purchase Agreement provides for Sian to acquire the 130,000,000 shares (the “**Akroma Shares**”) of Akroma held by HCC, which shares represent 65% of all issued and outstanding shares of Akroma, for the Purchase Price (the “**Sian Transaction**”). Sian paid a deposit of US\$340,000 (the “**Deposit**”) on May 21, 2013. The Deposit is non-refundable unless the TSX Venture Exchange does not approve the Sian Transaction or the resolution approving the Sian Transaction is not approved at the 2013 annual and special meeting of shareholders of the Company (the “**Meeting**”). The balance of the Purchase Price was paid upon execution of the Share Purchase Agreement by way of a letter of credit delivered by Sian to Midlands (the “**Letter of Credit**”), which Midlands may draw down on after the Sian Transaction is approved at the Meeting. Upon receipt of the funds representing the Purchase Price (the “**Escrow Release Date**”), HCC will deliver the certificate representing the Akroma Shares to Sian and the Sian Transaction will be completed.

### **Representations and Warranties**

The Share Purchase Agreement contains various representations and warranties of the Company and HCC to Sian, and of Sian to HCC. These representations and warranties relate to, amongst other things: organization and good standing, corporate authority, government consents and approvals, compliance with applicable law, shareholder rights and privileges, issued shares, share ownership, acts of bankruptcy, and absence of litigation.

In addition, the Share Purchase Agreement includes a survival clause that stipulates no investigations made by any Party at any time shall have the effect of waiving any representation or warranty made by any Party. As such, the representations and warranties contained in the Share Purchase Agreement will survive Closing for a period of two years (the “**Survival Period**”). Any claims for breach of representation or warranty within the Survival Period will survive the applicable Survival Period until the claim is resolved and obligations fully satisfied.

### **Covenants**

From June 19, 2013 until the Escrow Release Date (the “**Interim Period**”), the Company and HCC jointly and severally covenant to, in the favour of Sian:

- (a) cause Akroma to carry on business in the ordinary course and not enter into any transaction or incur any obligation or liability out of such ordinary course of business; and
- (b) not permit Akroma to:
  - (i) merge into or with, or amalgamate or consolidate with, or enter into any other corporation reorganization with, any other corporation or person;
  - (ii) declare, pay or make distributions by way of dividend, return of capital or otherwise to or for the benefit of its shareholder; or
  - (iii) purchase, redeem or issue any of its shares or other securities convertible into shares or enter into any commitment or agreement therefor except pursuant to options or other rights outstanding as at June 19, 2013.

Mutual covenants of all the Parties during the Interim Period include:

- (a) use of all reasonable efforts to apply for and obtain all consents, orders and approvals necessary or desirable for the Sian Transaction; and
- (b) performance of the obligations required by them under the Share Purchase Agreement and any other such acts and things as may be necessary or required to give effect to the Share Purchase Agreement.

### **Indemnity**

Each of the Company and HCC jointly and severally agrees to indemnify and save harmless Sian from losses actually incurred by Sian as a result of any breach or inaccuracy of

representation or warranty by the Company or HCC in the Share Purchase Agreement.

Sian agrees to indemnify and save harmless each of the Company and HCC from losses actually incurred by the Company and HCC as a result of any breach or inaccuracy of representation or warranty by Sian in the Share Purchase Agreement.

**Conditions to the Share Purchase Agreement**

The obligations of the Company, HCC and Sian to complete the Sian Transaction provided for in the Share Purchase Agreement are subject to the fulfilment of certain mutual condition precedents, including:

- (a) all covenants, representations and warranties of the Company, HCC and Sian as contained in the Share Purchase Agreement must be true in all material respects on and as of the Escrow Release Date;
- (b) all actions, proceedings, instruments and documents required to carry out the Sian Transaction and all other related legal matter must be approved by each Party;
- (c) the Company, HCC, Akroma and Sian must have obtained all appropriate federal, state, local or other governmental or administrative bodies and other third persons all such approvals and consents as may be required in order to permit the completion of the Sian Transaction;
- (d) no order of any court or administrative agency must be in effect which restrains or prohibits the Sian Transaction;
- (e) no new law, statute, by-law, regulation, order, decree or other action must have been enacted or introduced whether federal, provincial, municipal, local or otherwise, which in the reasonable opinion of any Party materially impairs or may materially impair the ownership or operation of the Sian Gold Project; and
- (f) the Letter of Credit shall have been delivered to Midlands.

The obligations of Sian are subject to satisfaction of certain additional conditions in their favour:

- (a) the Company and HCC must have delivered to Sian evidence of all requisite Board of Director and shareholder approvals in connection with the Sian Transaction, as well as the execution and delivery of the Share Purchase Agreement;
- (b) the Company and HCC must have complied with all covenants and agreements; and
- (c) all of the directors and officers of Akroma must resign and provide releases to Akroma.

If any of the conditions precedent cannot be fulfilled at or before the Escrow Release Date to the satisfaction of any Party, the Share Purchase Agreement can be rescinded by notice to the

Party failing to fulfil the condition and all Parties will be released from their obligations under the Share Purchase Agreement.

### **Termination**

The Share Purchase Agreement can be terminated by written notice at any time:

- (a) by mutual written consent of the Parties;
- (b) by any of the Parties if Closing has not occurred on or before August 30, 2013 provided that the terminating Party has not wilfully been the cause of the delay;
- (c) by any of the Parties if a final and non-appealable order will have been entered in any action or proceeding before any Governmental Authority or agency which either prevents or makes illegal the consummation of the Sian Transaction; and
- (d) by the Company or HCC if the Company does not receive the requisite shareholder approval required pursuant to the rules, policies and regulations of the TSX Venture Exchange for the Sian Transaction.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

Craig Pearman, President and CEO

Telephone: +1-604-366-2229

**Item 9. Date of Report**

June 28, 2013.

### **FORWARD LOOKING STATEMENTS**

*This material change report includes certain forward-looking statements or information. All statements other than statements of historical fact included in this material change report, including, without limitation, statements regarding completion of the Transaction, the receipt of regulatory and shareholder approvals, the Company's future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the fluctuating gold prices, possibility of equipment breakdowns and delays, exploration cost overruns, availability of capital and financing, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that*

*term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this material change report.*