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Midlands Drills 128 metres Grading 0.63 gpt Gold at Kaniago, Announces Corporate Developments and Update on Financing

Toronto, Ontario- August 24, 2011: Midlands Minerals Corp. (“Midlands” or the “Company”; TSX-V:MEX; OTCQX:MDLXF) is pleased to announce that reverse-circulation drilling at its Kaniago gold project in Ghana has produced significant results: 128 metres grading 0.63 gpt gold in KNRC-018, including an intersection of 21 metres grading 1.5 gpt from a shallow depth of only 22 metres, 3.25 gpt across 6 metres in hole KNRC-019 at a depth of 107 metres and 12 metres grading 1.04 grams gold per tonne in both KNRC-012 and KNRC-015. These results confirm that Kaniago is a large scale gold system with the potential to host a major shallow bulk minable gold deposit. Elizabeth Vida, P.Geo. comments: “Kaniago looks like a promising prospect for the company and I am excited about the new assay values the company is receiving in the Mmooho Prospect. The new mineralized zones are wider and we are also seeing narrower but higher gold intercepts within those zones. Our new relationship within the Kaniago community and the fact that they are behind us all the way is very encouraging. The new exploration team looks forward to developing this property to its fullest extent.”

This program is part of a 7,650-metre drill campaign that is testing the Kaniago West target area, the Mmooho anomaly and the Besease anomaly. The first 3,500 metres of drilling completes the first phase program using outside consultants, while the remaining 4,150 metres has been planned by the new Midlands’ technical team which includes Elizabeth Vida, P.Geo., Wilson Baaku and Mabel Saade. Reverse circulation drilling is testing a primary gold target identified by soil geochemical and geophysical anomalies within the Mmooho area. The soil anomalies are comprised of two north-northeast trending anomalies that were tested by holes KNRC-011 to KNRC-019.

Over the next six months, Midlands plans to continue investigating the remaining soil and geophysical anomalies on Kaniago, focusing on identifying the principal geologic controls to the distribution of gold mineralization. Where needed, new soil samples will be collected to verify previous assay results. Trenching and pitting is also planned to aid in geological and structural interpretations that can help guide Midlands’ drilling program. All trenches and pits will also be sampled and assayed for gold. Using this data, a new 5,000 metre reverse-circulation drilling program will be planned, which will be extended another 5,000 metres if the results warrant.

Drilling in Kaniago West generated numerous intercepts with gold mineralization ranging from higher grade narrow intercepts to lower grade wider intercepts of mineralization. For example, Hole KNRC-005 intersected 10 metres of 1.42 gpt gold and Hole KNRC-002 intersected 2 metres of 4.1 gpt gold. Assay results from the first nine holes in Kaniago West can be found in Midlands’ press release dated June 16, 2011. The tenth hole from that area showed no gold mineralization. A complete list of assays (intercepts) from the current drilling program are shown below.

Drill Hole ID	Mineralized From (m)	Mineralized To (m)	Core Interval (m)	Gold Assay (gpt)	Includes
KNRC-011	35	37	2	1.61	incl. 1m@ 2.67 gpt
KNRC-012	61	63	2	0.59	
	73	75	2	0.89	
	89	100	12	1.04	incl. 2m @2.61 gpt
	110	112	2	1.15	
	115	117	2	1.69	
KNRC-013	91	92	1	1.33	
	97	101	4	0.90	incl. 1m @ 2.47gpt
	105	114	9	0.75	
	124	125	1	2.56	
KNRC-014	78	82	4	0.66	
KNRC-015	76	88	12	1.04	incl. 4m @ 1.63gpt
KNRC-016	79	86	5	1.65	incl 1 m @ 3.04 gpt
	126	128	2	0.73	
KNRC-017	79	80	1	0.83	
	108	112	4	0.75	
KNRC-018	22	150	128	0.63	
	22	150	128	0.67	Weighted Average Grade
	22	43	21	1.50	incl. 3m@5.45 gpt, 3m@2.69 gpt
	51	58	7	1.45	
	68	77	9	0.71	
	99	102	3	0.60	
	104	106	2	1.37	
	115	117	2	0.92	
	122	124	2	0.56	
	128	130	2	0.99	
	133	135	2	1.09	
	141	150	9	1.09	
KNRC-019	11	13	2	1.31	
	84	86	2	1.59	
	103	104	1	0.94	
	103	113	10	2.13	incl 1m @ 13.2gpt
	107	113	6	3.25	incl 1m @ 13.2gpt

Note:

Core Interval widths in the table above represent drill lengths not true widths of the mineralized zone.

Midlands is awaiting assay results for the remaining holes drilled in Mmooho, as well as Besease Prospect. A total of 39 holes have been drilled, with 26 of them being submitted for assays. Results for 19 of these holes have been

released, including the nine holes above and the ten holes from the press release dated June 16, 2011. The remaining 13 holes not yet submitted are on site, drying before they are split and sent to SGS Laboratory in Tarkwa, Ghana.

Quality Assurance and Quality Control

With reverse circulation drilling, the chips are split on site into two 2 kg samples, where one is kept for reference and the other is sent to a qualified laboratory. A three-tablespoon portion of the 1.0 metre sample is screened to greater than 1 mm, washed, logged, and stored in plastic trays for reference. All samples were sent to the SGS Laboratory in Tarkwa, Ghana, where they were assayed using standard 50-gram fire assay with atomic absorption finish. Quality control included the submission of blanks and standards, which represented 10% of the total samples submitted. Intercepts shown above were calculated using a minimum of a 0.5 gpt cut-off. Elizabeth Vida, P.Geol., a qualified person as defined by National Instrument 43-101, is responsible for the technical information contained in this release.

Kaniago Community Relations Update

Midlands recently met the Chiefs and citizens of the Kaniago traditional area in Ghana to introduce the new team and layout the ground work for a mutually beneficial relationship. Following the meetings with elders, youth and sub-chiefs of the community at the Paramount Chief's Palace in Kaniago - Ghana (Nana Owusu Yamoah Bediaka 111), Midlands is confident that the deteriorating relations which were inherited by the new management and board have been successfully rehabilitated. In the words of the Paramount Chief: "The people of Kaniago would support Midlands in its new endeavors for a better and brighter future for the Kaniago gold project."

Corporate Developments

Midlands' board of directors is also pleased to announce the following:

1. The appointment of Stephen Gledhill as the Company's new Chief Financial Officer. Mr. Gledhill brings years of financial experience to the Company and has served in a similar role with publicly listed junior mining companies in the past.
2. The engagement of Channel Limited, a well known African-based executive search and advisory firm, to initiate a search for a new President and Chief Executive Officer for the Company.
3. The engagement of Makongo and African Partners LLC as a consultant to manage African affairs on behalf of Midlands. The main principal, David Makongo, was previously Director of African Affairs with Electrum USA Limited (The Global Gold Group) ("Electrum") and was responsible for acquiring gold properties in Ghana, Guinea, DRC, Niger, Mauritania, Burkina Faso, Burundi, Rwanda, Mali and Ivory Coast. He was also in charge of Government, Local Partner and Local Community relations for Electrum and throughout his over five years of working with Electrum, Electrum was able to maintain an excellent relationship with all of its local stake holders and also maintained all of its concessions in good standing.

Financing

As reported in the Company's press release dated August 12, 2011, Midlands' agents, BayFront Capital Partners Ltd. and Delano Capital Corp., have exercised their over-allotment option and increased the Company's financing to \$7.5 million. The financing is expected to close on or about August 26, 2011.

Nick Tintor, Midlands' Chairman stated: "With this new financing in place, Midlands will be very well funded to execute on an aggressive new drilling campaign to properly test its highly prospective Kaniago and Sian gold projects in Ghana."

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

ABOUT MIDLANDS MINERALS

Midlands is a growth oriented and value based gold exploration company operating in Ghana and Tanzania, two stable countries with a history of gold mining. Midlands' top priority project is the fully permitted Sian gold project in Ghana. The Sian property contains Esaase and Ampeha, two previously producing open pit mines with a resource with significant growth potential. Midlands' contiguous Kwahu Praso project, which was once part of Sian, contains extensions of the Esaase and Ampeha trends. Midlands' second priority project in Ghana is the highly prospective Kaniago gold project, which is located on the Asankrangwa Gold Belt and is contiguous to two past open pit gold producers – Abore to the north and Obotan to the south.

Midlands also holds highly prospective licences for gold and diamonds in the Lake Victoria Goldfields in Tanzania, including its advanced Itilima Gold Project, which lies within the Geita-Bulyanhulu-Sekenke Trend, which is host to over 40 million ounces in gold reserves, and has now added to its Tanzania portfolio with the acquisition of the New Kilindi-Handeni prospecting licences.

For more information on the Company, please visit Midlands' website at www.midlandsminerals.com.

For further information, please contact:

Nick Tintor
Chairman
(416) 987-0855
ntintor@rgmi.ca

Rob Chalmers
Principal, Bayfront Capital Partners
(647) 402-7552
chalmers@bayfrontcp.com

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may prove to be incorrect.

The Company adds a cautionary statement to the effect that the potential quantity and grades that may be referred to in this press release are conceptual in nature. There has been sufficient exploration to evaluate a mineral resource. However, the Company is uncertain if further exploration will result in a mineral reserve. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks inherent in the business of mineral exploration. For more information, investors should review the Company's filings, which are available at www.sedar.com.