



MIDLANDS MINERALS CORPORATION ANNOUNCES FINANCING AGREEMENT ON A PRIVATE PLACEMENT TO RAISE UP TO \$2.5 MILLION

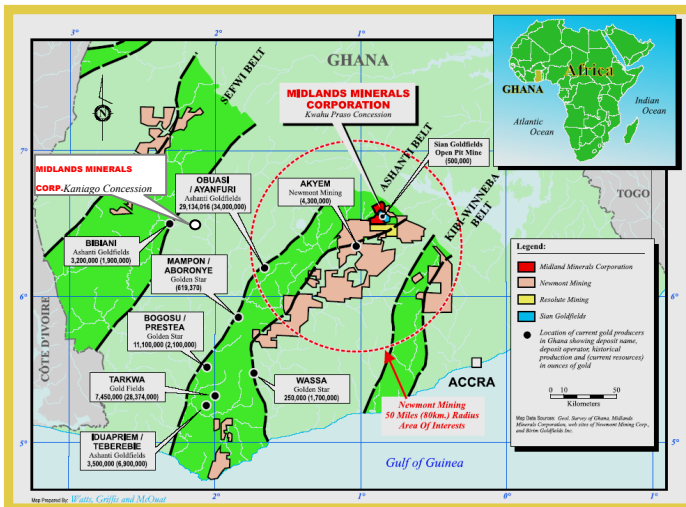
TSX-VN: “MEX”

TORONTO CANADA, January 23, 2006. Kim Harris, Chief Executive Officer, Midlands Minerals Corporation (“Midlands” or the “Company”) wishes to announce that the Company has engaged Dominick & Dominick Securities Inc. (Dominick) and Haywood Securities Inc. (Haywood) as lead agent and co-agent respectively in connection with a private placement offering (the Offering”), on a best efforts basis. Under the Offering, the Company proposes to issue up to 10,000,000 units (the ‘Units”) priced at \$0.25 per unit for gross proceeds of up to \$2,500,000. Each Unit consists of one (1) common share and one (1) share purchase warrant (the “Warrants”). Each Warrant will entitle the holder to purchase an additional common share of the Company for 2 years from the date of closing of the transaction at the exercise price of \$0.35 in year 1 and \$0.45 in year 2.

In consideration for their services, the Agents will receive an 8% cash commission. The agents will also be issued broker warrants (“Broker Warrants”) to purchase such number of shares equal to 8% of the aggregate number of Units issued by the Company. The Broker Warrants will be exercisable for 2 years, following the closing of the Offering, at \$0.35 each in year 1 and \$0.45 each in year 2.

The financing remains subject to regulatory approval.

The Company’s primary focus is Africa where Midlands holds right title to gold properties in Ghana and Tanzania and diamond properties in Tanzania. Properties are in areas with major gold miners and world class gold and diamond deposits. Funds raised will be used to further explore the Company’s gold properties in Ghana and Tanzania.



In Ghana, Midlands holds an 80% interest in the Kwahu Praso gold project, a 109 square kilometer property on the north end of the Ashanti Goldbelt.

In addition, the Company recently entered into an agreement to acquire a 70% interest in the mineral assets of Sian Goldfields Limited (“Sian”). Sian is a past gold producer at the Asaase Mine and there are previous workings on the nearby Besease.

Sian Goldfields Limited was actively mining until July 2004. Sian is

contiguous to Kwahu Praso and is surrounded by the Midlands property on three sides. Midlands’ 70% interest gives the company an historical resource, an open pit mine, plant and equipment. No estimates of Mineral Resources or Reserves (as defined by NI 43-101) have been made since the date NI 43-101 came into effect.

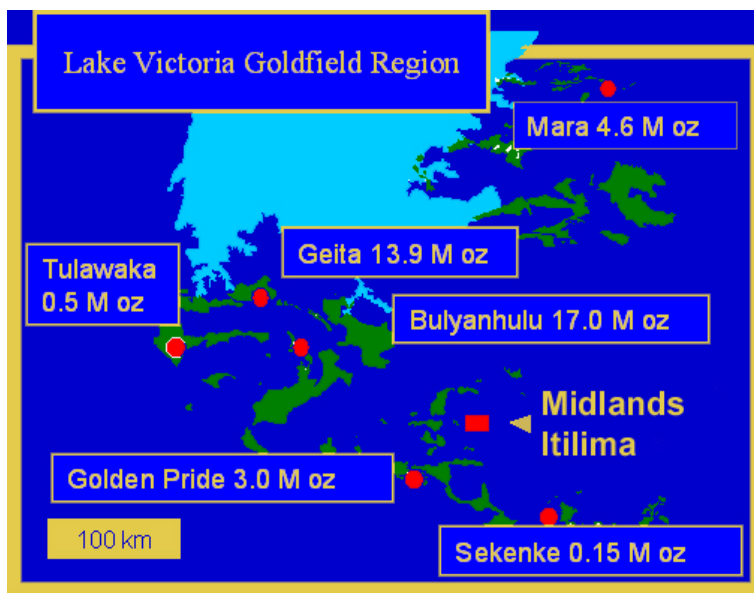
Midlands has already commenced the NI 43-101 technical review of the Sian property and an exploration program on both Kwahu Praso (Ghana) and Itilima (Tanzania) is currently under way. A 43-101 Technical Report on Sian and Kwahu Praso is expected to be completed by the end of February. The technical program has been designed by Marc Boisvert, P.Eng. and is being supervised by Marc Boivert, a Qualified Person under NI 43-101.

The properties (Sian and Kwahu Praso) are surrounded by Newmont Mining Company property on three sides and Kwahu Praso is contiguous to Resolute Mining Company's Akaose property to the south. The Kwahu Praso appears to have minerals and alteration styles similar to Newmont Mining's Akyem property with proven reserves in excess of 4.8 million oz of gold. The gold mineralization is associated with silica-carbonate-pyrite alteration.

Midlands' Kaniago gold project is located on the desirable Asankrangwa Gold Belt in Ghana. This project is 45.14 square kilometers and is contiguous to Resolute Mining's open pit Obotan Mine and 25 kilometers east of AngloGold Ashanti's Bibiani mine, with a recorded historical production of 3.2 million oz of gold and current reserves of 1.9 million oz, and is about the same distance to the south east of AngloGold Ashanti's Ayanfuri/Obuasi Mines with a recorded historical production of 29 million oz of gold and recorded current reserves of 34 million oz.

Tanzania Itilima properties totalling 65 square kilometers, are located in the Lake Victoria Goldfields on the same NW-SE trend as Bulyanhulu and Geita, and 20 km south of the Williamson Mwadui Diamond Mine. The Itilima was RC drilled in 2004 and further drilling is planned in 2006. Work done to date confirms the presence of gold and diamonds on the property. The chemical analyses showed the presence of diamond indicator minerals.

Also in Tanzania, the Company holds 100% right title on the New Kilindi gold project - newly acquired 2,700 square kilometers in geology similar to that of Lupa Goldfields. The Company was granted a reconnaissance license in July 2005.



“Large targets have been identified and confirmed through MMI soil geochemistry on the Itilima”, says Kim Harris, Chief Executive Officer. “Midlands would like to define a significant gold resource on the Itilima, the Sian property and on the Kwahu Praso as soon as possible.

With the right level of financing, these three projects could be at a pre-feasibility stage within 18 months”, says Kim Harris. “We expect to be drilling again on the Itilima within 2006.”

*Certain statements contained in this news release constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the company to be materially different from actual results and achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made and the readers are also advised to consider such forward looking statements while considering the risks inherent in the business of mineral exploration.*

The TSX-V has in no way passed upon the merits of the proposed transactions and has neither approved nor disapproved the contents of this press release.

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