

MIDLANDS MINERALS CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR NINE MONTHS
ENDED SEPTEMBER 30, 2009

**MIDLANDS MINERALS CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2009**

GENERAL:

The following discussion and analysis of the performance and financial condition of Midlands Minerals Corporation (the "Company") should be read in conjunction with the unaudited Interim Consolidated Financial Statements of the Company and the accompanying notes thereto for the period ended September 30, 2009, and September 30, 2008, and the Audited Consolidated Financial Statements for the year ended December 31, 2008. These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

Unless otherwise indicated, a reference to a year relates to the Company's fiscal year ended December 31. Unless specifically stated to the contrary, all amounts are reported in Canadian dollars.

OVERVIEW

Midlands Minerals is a growth oriented, dynamic, entrepreneurial junior exploration company focused on growing its mineral assets in Ghana and Tanzania. The Company trades on the TSX Venture Exchange under the ticker symbol "MEX", and holds a diversified portfolio of gold and diamond projects and operates in stable, low risk countries with a long history of gold mining.

Our Objective is to bring real value to shareholders through the exploration and development of our gold properties in Ghana and Tanzania, and diamond properties in Tanzania. Our Business Model is to operate in low risk, investor friendly and politically stable countries that have a long history of gold mining, and to acquire gold and diamond properties on trend with known major deposits.

With a growing gold resource on its previously producing gold project, Midlands' fully permitted Sian project has an existing CIL plant and a 30 year mining lease. The project already has infrastructure in place including, power, roads, running water, and buildings. Further drilling is planned in the first quarter of 2010 and the Company expects to reach a production decision by the end of 2010 (subject to the results of the pre-feasibility study).

The Company's priority is the Sian project and the Company's target is to find a significant gold deposit on Sian and Kwahu Praso ("Praso"), two contiguous, highly prospective properties with significant potential for a large gold deposit. Sian and Praso, which together, form a 160 square kilometre gold district, are located on the prolific Ashanti Gold Belt just 30 kilometres north of Newmont Mining's Akyem gold deposit, which has over 8.7 million ounces of gold. Sian is a past producing open pit mine. When it was in production, under the previous owners it produced gold at a recovery rate of 93% between 2001 and 2003.

These expectations and targets are conceptual and are based on delineated soil anomalies as well as results from drilling conducted in 2007 and 2008. The Company adds a cautionary statement to the effect that although there has been sufficient exploration to define a mineral resource, the quantity and grade of a potential reserve are unknown at this time.

Midlands' short term target is to add to the existing indicated resource of 2.6 million tonnes at 2.3 g/t and 2.7 million tonnes at 2.4 g/t by finding a minimum of an additional 500,000 ounces of gold through infill drilling on direct extensions of the Sian gold deposit, and within a 3 kilometre radius of the Esaase open pit mine and the CIL (Carbon in Leach) milling plant. The second objective is to infill drill the other seven new zones discovered through the scout drilling program conducted between April 2007 and May of 2008. Drilling results to date indicate that the resource on Sian can be increased and the category of the resource could be upgraded with the next round of infill drilling that is planned following a successful financing. This would put the resource of Sian at over one million ounces.

There is a gold mineralized corridor with a strike length of 16 kilometres cutting through the Sian and Praso projects. Within this 16-kilometre strike length, there are gold soil anomalies yet to be drilled and five new gold zones which have been discovered. Drill results show a continuity of grades and strike lengths for over two kilometres with encouraging intersections (10.81 g/t over 7 m; 24.3 g/t over 3 m; 2.08 g/t over 11 m).

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2009 HIGHLIGHTS

The Company entered into an agreement with D&D Securities Company and Clarus Securities Inc. (the "Agents").

The Agents acted as the Company's Agents to offer securities by way of private placement on a best efforts basis.

The private placement offering (the "Offering") was for up to 40,000,000 Units (the "Units") at \$0.15 (Cdn Funds) per Unit. Each Unit consisted of one common share in the capital of the Company (each a "Common Share") and one half (1/2) of one common share purchase warrant (a "Warrant").

Each whole Warrant will be exercisable at \$0.25 (Cdn) for 24 months (the "Warrant Expiry Date") following the Closing Date (as hereinafter defined) to purchase one additional common share (each a Warrant Share). The Warrants will be subject to an acceleration clause effective on that date that is 12 months after the Closing Date, which the clause will provide when, in the event that the closing price of the common shares for any 30 consecutive day trading period is equal to or greater than \$0.50 at which time the Warrant Expiry Date shall be accelerated to 10 days after that end of such 30 day period.

On November 9, 2009, the Company closed the first tranche of the private placement of \$3,124,750, issuing 21,325,000 additional common shares. The new total outstanding shares of the Company now stands at 74,906,000.

GHANA HIGHLIGHTS

Sian and Kwahu Praso

- Increased resources on the Sian gold project in Ghana were announced in May 2008 with an:
 - Indicated resource of 2.6 million tonnes at 2.3 g/t for 192,000 ounces of gold;
 - Inferred resource of 2.7 million tonnes at 2.4 g/t for 208,000 ounces of gold;
- The Company exercised its right to acquire an additional 20% interest in Kwahu Praso from its local partner, and now holds a 100% undivided interest in Kwahu Praso, a gold property contiguous to Sian
- Praso, which was once part of Sian, contains extensions of the Esaase and Ampeha trends, which are two past gold producing areas with exceptional growth potential;
- Sian/Praso, which together form a highly prospective 160 square kilometre gold district, are just 30 kilometres northeast of Newmont Mining's +8.7 million ounce Akyem gold deposit;
- The Company has three objectives in the next 6 month drilling program:
 1. Increase the resource on Sian from 400,000 ounces of gold to over one million ounces through an infill drilling program in the pit and on the extensions to the current deposit;
 2. Upgrade the quality and category of at least 25% of the resource to a measured category through infill drilling ;
 3. Expand the deposit through initial drilling on Praso South and Praso North.

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Kaniago Project, Ghana

The Kaniago Project is located on the Asankrangwa Gold Belt and is contiguous to three previously producing mines in the Obotan region: the Nkran Open Pit Mine, which produced 590,000 ounces of gold, and the Adubiaso and Abore Open Pit Mines, which cumulatively produced 140,000 ounces of gold.

- There is a soil gold corridor, 7 kilometres in strike length which is on direct strike with Abore Open Pit Mine
- On the eastern part of the project, there is a gold soil anomaly zone which is on strike with the Obotan Open Pit Mine;
- On the central southern part of the project is a gold soil anomaly, which is the extension of the Adubiaso Open Pit Mine, previously operated by Resolute Mining Ltd.

TANZANIA HIGHLIGHTS

- The Company acquired Kishapu and Lalago, two new, highly prospective gold properties in the Lake Victoria Goldfields in Tanzania
- The Company acquired the Tamota project, a 175 square kilometre gold project in the Kilindi Handeni area, approximately 160 kilometres from the City of Morogoro.

Itilima Gold and Diamond Project, Tanzania

Further drilling is planned on the Itilima project, subject to financing. The eastern part of the Itilima project will be drill ready after the induced polarization survey (IP) is conducted as follow up to previous RC and Diamond drilling programs.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated financial information of the Company for the year ended December 31, 2008 and the six-month period ended June 30, 2009 and June 30, 2008. The selected consolidated financial information should be read in conjunction with the Consolidated Financial Statements of the Company.

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	For 9 Months ended Sept 30 2009	For 9 Months ended Sept 30 2008	For 12 Months ended Dec 30 2008
Consolidated Statement of Operations			
	\$	\$	\$
Total Revenue	83,228	--	--
Net Loss	(610,959)	(849,073)	(1,242,060)
Basic and Diluted Net Loss per Share	0.01	0.02	0.02
Balance Sheet			
Total Cash and Short-term investment	68,870	375,015	203,467
Working Capital (Deficiency)	(577,003)	26,573	(403,676)
Non-Controlling Interest	36,125	36,125	36,125
Total Long Term Debt	Nil	Nil	Nil
Total Assets	7,419,793	7,554,187	7,331,556
Shareholders' Equity	6,167,504	6,901,952	6,501,965
Deferred Exploration & Property Acquisition Cost			
Acquisition Cost	1,612,627	1,673,064	1,612,381
Deferred Exploration Expenditures	5,650,209	5,415,456	5,451,598
Total Balance	7,262,836	7,088,520	7,063,979

SUMMARY OF QUARTERLY RESULTS

Selected consolidated financial information for the most recently completed quarters of 2009, 2008 and 2007 are as follows:

Three months ended	2009			2008			2007			
	Sept.	June	Mar.	Dec.	Sept.	June	Mar.	Dec.	Sept.	June
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	83,228	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	46,707	228,157	336,095	392,987	228,375	300,176	320,522	494,036	189,333	296,266
Basic and diluted net loss per share	0.00	0.00	0.01	0.01	0.00	0.01	0.01	0.03	0.00	0.00

DESCRIPTION OF BUSINESS

Midlands Minerals Corporation is a publicly traded Canadian natural resource company engaged in the exploration of mineral properties. The Company is a development stage organization and is presently in the process of exploring its mineral properties, and has not yet determined whether these properties contain reserves that are economically recoverable. The primary focus of the Company is on its gold and diamond exploration, and development properties in Tanzania, and gold exploration properties in Ghana. To date the Company has raised funds to explore its mineral properties, principally through the issuance of shares. The Company will continue to depend on the issuance of additional shares to further the development of its mineral properties. The exploration and development of mineral deposits involve significant financial risk and the success of the

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company will be influenced by a number of factors including risks associated with exploration and extraction, foreign investment regulations, renegotiation of contracts and political uncertainty.

Gold is the primary focus and Tanzania and Ghana are the target countries. At present, the Company's natural resource activities do not generate any revenues.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the company's financial statements conforms with Canadian Generally Accepted Accounting Principles and requires management to make the estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Management believes that the estimates are reasonable. General exploration expenditures that do not relate to specific resource properties are written off in the year incurred.

Interest in exploration properties and property acquisition costs and related direct exploration costs, are deferred until such time as the properties are placed into commercial production, sold, determined not to be economically viable, or abandoned. These deferred costs will be amortized on the unit-of-production basis over the estimated useful lives of the properties following the commencement of production. If the properties are subsequently determined not to be economic the properties are written down to net realizable value. If the properties are allowed to lapse, or are abandoned or sold, their related deferred exploration costs are charged to operations in the current year.

The cost of exploration property includes any cash consideration paid, and the fair market value of shares issued, if any, on the acquisition of property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. The recorded amounts of property claim acquisition costs and their related deferred exploration costs represent actual expenditures incurred and are not intended to reflect present or future values.

The Company reviews its exploration properties and capitalized costs on its property interests on an annual basis to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of cost incurred on the exploration properties is dependent upon numerous factors and estimates including exploration results, environmental risk, political risk and the Company's ability to attain profitable production.

Effective October 1, 2004, the Company adopted the recommendations of the CICA Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments* for employees and non-employees. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These recommendations require that compensation for all awards made to employees and non-employees be measured and recorded in the financial statements at fair value. The adoption of this policy has no effect on the financial statements. The Company's proposed stock option plan is described in Note 6 of the March 31, 2009 interim consolidated financial statements.

Financial Instruments - Recognition and Measurement

CICA Handbook Section 3855 provides guidance on when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet of the Company and on what basis these assets, liabilities and derivatives should be valued. Under the new standards, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets and other financial liabilities. All financial instruments, including derivatives, are measured on the balance sheet at their fair value except loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on its initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in earnings. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive earnings until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

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With the adoption of these new standards, the Company has classified its short term investments as held for trading, share investment as available for sale, and accounts payable and accrued liabilities as other financial liabilities.

This standard requires derivative instruments to be recorded as either assets or liabilities measured at their fair value unless exempted from derivative treatment as a normal purchase and sale. Certain derivatives embedded in other contracts must also be measured at fair value. The Company has reviewed all significant contractual arrangements and determined there are no material embedded derivatives that must be separated from the host contract and fair valued and there are no non-financial derivatives that need to be fair valued.

Financial Instruments – Disclosure and Presentation

Revised CICA Handbook Section 3861 replaces Handbook Section 3860, Financial Instruments – Disclosure and Presentation, and establishes standards for presentation of financial instruments and non-financial derivatives, and identifies information that should be disclosed. There was no material effect on the Company's consolidated financial statements when CICA Handbook Section 3861 was adopted January 1, 2007.

Comprehensive Income

CICA Handbook Section 1530 establishes standards for reporting and presenting comprehensive earnings, which is defined as the change in equity from transactions and other events from non-owner sources. Accordingly, a new statement of comprehensive earnings now forms part of the Company's consolidated financial statements and displays current period net loss and other comprehensive earnings. The cumulative changes in other comprehensive loss are included in accumulated other comprehensive loss, which is a new category within shareholders equity in the consolidated balance sheet.

Future Accounting Standards

(vii) International Financial Reporting Standards (IFRS)

In February 2008, the Accounting Standards Board (AcSB) confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an IFRS Omnibus Exposure Draft proposing that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011. The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010. The AcSB proposes that CICA Handbook section, Accounting Changes, paragraph 1506.30, which would require an entity to disclose information relating to a primary source of GAAP that has been issued but is not yet effective, and that the entity has not applied, not be applied with respect to the IFRS Omnibus Exposure Draft. The Company is continuing to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable. The Company does anticipate a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required, as well as system changes that may be necessary to gather and process the required information.

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OVERVIEW OF PERFORMANCE

MINERAL PROPERTIES

MIDLANDS MINERALS PROPERTIES IN GHANA AND TANZANIA

	<u>Name of Project</u>	<u>Interest</u>	<u>Location</u>
(1)	Sian	65%	Ghana
(2)	Kwahu Praso	100%	Ghana
(3)	Kaniago	100%	Ghana
(4)	Itilima	75%	Tanzania
(5)	New Kilindi	100%	Tanzania
(6)	Lalago	100%	Tanzania
(7)	Kishapu	100%	Tanzania
(8)	Vukene	Option	Tanzania
(9)	Llwenge	90%	Tanzania

GHANA PROPERTIES

The Government of Ghana issues mineral rights as follows:

- Reconnaissance Licence (RL) which is valid for one year and is renewable
- Prospecting Licence (PL) which is valid for three years and is renewable with a reduction in the area of no less than 50%
- Mining Lease (ML), which is valid for 30 years or less depending on the life of the mine, and is renewable

SIAN

Sian is an open-pit recent gold producer with an indicated resource which has increased by 92% to 192,400 ounces of gold (2,568,000 tonnes @ 2.33 g/t Au) up from 100,000 ounces and an inferred resource which has gone up to 203,350 ounces (2,694,000 tonnes @ 2.35g/t Au) from 100,000 ounces, an increase of 103.4%. There is a CIL mill and a valid mining lease with an expiry date of 2026. Together with the contiguous Kwahu Praso property, Midlands controls 160 square kilometres of a prime gold exploration district with a 16 kilometre corridor and with large anomalies providing potential for the discovery of several gold deposits on the property.

The Sian/Praso package is located 30 kilometres north east of Newmont Mining's Akyem deposit with over 8.7 million ounces of gold. Sian produced 16,193 ounces of gold with a mineral recovery of 93% between 2001 and 2003 when the mine was closed due to the price of gold and other operational issues.

The Company holds a 65% interest in Akroma Gold Company Limited into which the Sian property was transferred following an agreement between Midlands Minerals Corporation and Sian Goldfields Limited. Under the terms of the agreement, Sian Goldfields Limited transferred all its mineral assets including the mining lease which was granted to Sian in 1996 for a period of 30 years, the gold processing plant as well as all fixed assets, machinery and equipment. The mineral assets include an area of approximately 50 square kilometres of ground which is contiguous to Midlands' 109 square kilometres Kwahu Praso property on the northeast end of the Ashanti Gold Belt.

In January 2008, Midlands retained Geostat Systems International Inc. to conduct a National Instrument 43-101 (NI 43-101) Resource Estimation on the Sian project. Geostat's work included the estimation and classification of the resource on Sian as well as definition and interpretation of ore zones and orebody modelling.

Geostat Systems International Inc. ("Geostat") completed a 43-101 compliant and classified resource estimation on the Sian gold project for Midlands Minerals and this technical report is filed on www.sedar.com (May 2008).

A summary of the Geostat report on the Sian resource estimation follows:

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- The Geostat estimation used historical data from previous owners of Sian and new Midlands Minerals validation and exploration holes.
- The database has 211 holes with 18,767 assay intervals.
- From Geostat's interpretation, a total of 116 mineralized intercepts were defined for the resource model.
- The Sian property has several mineralized zones; the main resource zones are Esaase and Esaase East.
- A block model was created for the main zone at Esaase while the others are estimated using the simple sectional polygonal method.
- The resource model excludes all mined out material as per new March 2008 topographic survey of open pit surfaces.
- All gold assays were capped at 31.1g/t.

Resources are generally within 100 m from the surface except for the main zone which has been intersected at 200 m depth. The Qualified Person for this resources estimation was Claude Duplessis P.Eng.

The Indicated resources are classified within the main ore zone of Esaase from surface which approximately at 230 m to 60 m elevation and all remaining material in the envelope is inferred as well all the other satellite zones. A specific gravity of 2.8 has been used. A minimum horizontal mining width of 2 m has been used. Horizontal width of the zones varies from 2 metres up to 50 metres wide.

CLASSIFICATION	MODEL	TONNAGE	AU G/T	OUNCES
Indicated Zone				
Main Esaase	Block	2,568,000	2.33	192,400
Total Indicated				192,400
Inferred Zone				
Main Esaase	Block	997,000	1.95	62,500
Others	Section model	1,697,000	2.58	140,850
Total Inferred	Combined	2,694,000	2.35	203,350
Resources above 0.5g/t cut-off		SG 2.8		Numbers Rounded

Kwahu Praso

As of October 2008, the Company holds a 100% interest in the Kwahu Praso Gold Project in Ghana, having acquired the 20% interest previously held by the local partner. The mineral rights are housed in Midlands' subsidiary company - Midenka Resources Limited, in which Midlands has a 100% interest. This property, which is contiguous to the Sian property, and which was once part of Sian, is located on the northeast end of the Ashanti Gold Belt and totals 109 square kilometres in size. Because the structures appear to be continuous between Sian and Kwahu Praso, the Company's exploration plan is to integrate work programs on Sian and the Kwahu Praso property.

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The Kwahu Praso prospecting licence was granted by the Ghana Minerals Commission was valid until March 2009, and the license has since been renewed.

Nsuta

Nsuta is the ground that Midlands was required to shed consistent with the renewal of the Praso licence. Midlands re-applied for the shed ground. The Company holds a 100% interest in the Nsuta prospecting licence through its subsidiary company - Midlands Minerals Ghana Limited. The Nsuta licence was renewed in September 2009.

Kaniago

The Company holds a 100% right interest in the Kaniago property, which is located on the Asankrangwa Gold Belt in Ghana. Kaniago occupies 45.14 square kilometres. Work done to date includes stream sediment sampling and soil geochemistry. The property sits between three open pit mines including the Abore mine to the north and the Obotan mine to the south. The company has a prospecting licence, which was valid until June 2009 and has been renewed.

Bonuama Property

The Company acquired an option on the Bonuama property in Ghana on June 7, 2008. Bonuama is 150 squares kilometers in size and is located on the Asankrangwa Gold Belt. Midlands paid a non-refundable deposit of US\$20,000 with the balance of US \$45,000 being a contingent liability and payable only upon the Company's discretion based on availability of financing.

Upon commencement of commercial production, the Government of Ghana is entitled to a 10% carried interest in the Concessions with no contribution requirement.

TANZANIA PROPERTIES:

The Government of Tanzania issues mineral rights as follows:

- Reconnaissance Licence (RL) - valid for two years and is renewable with a reduction of area of no less than 50%
- Prospecting Licence (PL) - valid for three years and is renewable with a reduction of area to no less than 50%
- An extension of up to three years after the expiration of the Second Renewal
- Mining Lease (ML) - valid for 30 years or less depending on the life of the mine, and is renewable.

Itilima Gold Project

The Company holds a 75% interest in the Itilima Gold and Diamond Project, which consists of four contiguous licences covering 65 square kilometres in the Lake Victoria Goldfields region in Tanzania. Midlands' interest is through its subsidiary company in Tanzania - the Itilima Mining Company Limited.

The Company's exploration program to date has focused on soil geochemistry followed by 1,345 metres of RC drilling in 2004 and 2,070 metres of diamond core drilling which was conducted in the last quarter of 2006. The Company plans to continue exploration activities based on results from current exploration. Through work done to date, the Company has confirmed a number of gold-bearing structures and shear zones including the Itilima Shear Zone ("ISZ") and the Chanya Shear Zone ("CSZ"). There is a 3-kilometre diorite surrounded by soil anomalies and a 10-kilometre strike length with a NW-SE structure. In April 2004, the Company conducted a reverse-circulation drilling program (14 holes, totalling 1,345 metres) to reconfirm the gold mineralized potential of both the ISZ and CSZ.

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In 2005 and 2006, the Company conducted an extensive Mobile Metal Ion ("MMI") soil geochemistry program to confirm previous MMI results prior to further drilling. The results of the MMI geochemistry program confirmed repeatability and continuity of orientation of previously detected anomalous trends. One of the anomalous trends extends the strike direction of the Itilima artisanal mining site in both directions. Two other parallel trends indicate the potential for parallel gold-bearing horizons under transport overburden. In the last quarter of 2006, the Company conducted a 2,070-metre diamond core drilling program and intends to follow up with further drilling, subject to financing.

The Itilima prospecting licence was originally issued as PL 1406/99. Because of the requirement to shed ground at each renewal point, and as the Company was re-applying for the shed ground, there are now four prospecting licences covering the same area of 65 square kilometres (PL 1406/99, PL 2043/02, PL 3192/05, and PL 4086/07).

PL 1406/99 is now 15.86 square kilometres. The licence is valid for a period of 3 years until November 10, 2009. The Company has applied for a renewal.

PL 2043/02 is 16.50 square kilometres and it is valid until November 11, 2009. All payments and fees due to the government of Tanzania have been paid. A renewal application has been submitted and is currently being processed.

PL 3192/05 is 16.45 square kilometres and is valid until May 1, 2010. All property payments and fees due to the government of Tanzania have been paid. The Company intends to re-apply for the prospecting licence.

L 4086/06 is 16.25 square kilometres and is valid until September 25, 2009. All property payments and fees due to the Government of Tanzania have been paid. The Company has applied for renewal.

- Three new highly prospective gold properties were acquired in the Lake Victoria Goldfields in Tanzania:
 - Kishapu - 38.4 sq km
 - Lalago - 154.3 sq km
 - Tamota - a 175 square kilometre gold project in the Kilindi-Handeni area, approximately 160 kilometres from the town of Morogoro.

Itilima Diamond Project

The Itilima project is located in Archean geology and also sits within the Shinyanga Kimberlite Field. The property is located 25 kilometres south of the Mwadui Williamson Open Pit Diamond Mine, which was formerly operated by the De Beers Company, and is currently held by Petra Diamonds (75%) and the government of Tanzania (25%).

There are 2 kimberlites which have been drilled by Midlands and 80 kimberlite targets identified by an airborne magnetic and radiometric survey conducted by Fugro Airborne Services in 2003. Of these, nine targets were identified as high priority. Two of the nine kimberlite targets, which were identified as priority targets, were drilled by Midlands in April 2004 using reverse circulation drilling. The results showed the presence of small micro diamonds. The perographic, diamond selection and chemical analyses were done by SGS Lakefield Research Laboratories in Ontario, Canada. Midlands plans to do more work on these kimberlite targets and the Company is seeking a partner to develop the diamond potential of the Itilima project. In this regard, Midlands has set up Mara Diamond Company Ltd., a private subsidiary registered in Ontario, Canada, to develop the diamond potential on the Itilima project.

Vukene

The company has an option on this 758.30 square kilometre prospecting licence. The license is held by SIKA Resources Inc. and Midlands is evaluating the property and earning an interest through work performed.

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Llwenge

The Company acquired the Llwenge property in Tanzania in 2007. PL 3212/2005 is 25.73 square kilometres and is located in the Geita district in the Lake Victoria Goldfields Area. The Company owns 90% of the licence and the license is in good standing.

NEW PROJECTS - TANZANIA

Kishapu and Lalago Gold Projects

In 2008, the Company was granted two prospecting licences PL 2864 (Kishapu) which is 38.4 square kilometres in size, and PL 2865 (Lalago) which is a 154.30 square kilometres.

Tamota Project - New Kilindi

The Company paid US\$25,000 to obtain a new gold property PL 5068/2008 in the Handeni district in Tanzania which is 175 square kilometers in size. The licence, which is valid for a period of three years, was transferred to Midlands on July 23, 2008. The Tamota project is in the Kilindi - Handeni area, approximately 160 kilometres from the City of Morogoro.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2009, the Company had a loss from operations of \$610,959, and in the same period in 2008, the Company had a loss of \$849,073. Included in the operating expenses were stock options compensation, estimated (using the Black-Scholes method) at a value of \$241,498.

Given the Company's growth strategy, additional funds will be required to maintain and grow current operations. More advanced exploration is planned, mainly for the Sian, Praso, and Kaniago properties in Ghana. The Company is also continuing to seek additional qualified mineral properties in Ghana and Tanzania.

During the nine months ended September 30, 2009, the company generated a positive operating cash flow of \$64,260, an \$851,211 improvement over the same period in 2008. The improvement is due mainly to a \$353,717 increase in a Short Term Note/Loan Payable from insiders. The Company entered into a loan agreement, with directors of the Company in January 2009. The Loan of up to \$500,000 was approved by the TSX Venture at an annual rate of interest of 10.5%, with bonus shares equal to 20% being issued to the Lenders for the amounts advanced. As of September 30, 2009, the Company had issued bonus shares totalling 693,307 and the balance in the loan repayable was \$353,717, including accrued interest of \$19,717

LIQUIDITY AND CAPITAL RESOURCES

The Balance Sheet for the nine month period ending September 30, 2009 shows a working capital deficiency of \$577,003, a considerable decrease from that of the same period in 2008, which had a surplus of \$26,573 (representing a decrease of \$603,576, or 2,271%). The reason for the drop can be attributed to the Company having to cancel its September 2008 financing due to the global economic crisis.

INVESTMENT IN MINERAL EXPLORATION AND DEVELOPMENT

Expenditures on mineral properties increased during the period ended September 30, 2009 to \$7,262,836 from \$7,088,520 in the comparable period ended September 30, 2008. The expenditures on exploration and development increased from \$5,415,456 in September 30, 2008 to \$5,650,209 in September 30, 2009. The increase of \$234,753 is attributable to an increase in exploration and development activities on the Sian, Kwahu Praso and Kaniago properties in Ghana and on the Itilima project in Tanzania.

As at fiscal 2008, cumulative exploration expenditures on the Company's Ghana properties totalled \$3,452,200, while cumulative exploration expenditures on the Company's Tanzania properties totalled \$1,999,398. During the period, the company increased its exploration activities by \$122,725. Of that amount \$110,724 was spent on the Company's Sian property.

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BUSINESS COMBINATION (HISTORICAL)

On June 2, 2004, the Company amalgamated with 1487852 Ontario Inc. ("Numco"), a corporation with 1,411,000 common shares outstanding. Numco's sole asset was \$291,285 in Accounts Receivable due from Midlands. Midlands Minerals was the continuing entity under the amalgamation and the transaction has been accounted for as a settlement of the amount due to Numco through the issuance of shares.

On June 2, 2004, the Company amalgamated with Grand Oakes Resources Corp. ("Grand Oakes"), an unlisted Canadian public company. Certain directors of the Company became directors of Grand Oakes prior to receipt of Grand Oakes' shareholders approval of the amalgamation with the company. Grand Oakes is the successor legal entity following the amalgamation. Former Grand Oakes shareholders received 572,167 shares of the amalgamated entity and former company shareholders received 17,543,801 shares of the amalgamated company.

As the former Grand Oakes shareholders had less than 50% of the outstanding shares of the combined entity, Midlands is considered the acquirer of Grand Oakes for accounting purposes. Accordingly, Midlands is the accounting entity in these financial statements and the comparative figures presented in the financial statements after this amalgamation are those of the Company. The capital structure reflects that of the successor legal entity, Grand Oakes, and the stated value of the share capital is that of Midlands. The amalgamated entity carries on business under the name Midlands Minerals Corporation. At amalgamation, Grand Oakes had net liabilities of \$104,509. The assumption of these net liabilities is recorded as a capital transaction. Related transaction costs in the amount of \$103,103 were recorded as an expense in the period the transaction closed.

USE OF OFF BALANCE SHEET ARRANGEMENTS

With the exception of the Company's right to accelerate the expiration of warrants issued as part of various financings, the Company has not entered into any specialized financial agreement to minimize its investment, currency or commodity risk. There are no off balance sheet arrangements, such as a guarantee contract, contingent interest in assets transferred to an entity, derivative instruments obligations and or any obligations that trigger financing, liquidity, market or credit risk to the company.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company does not have any commitments, or contractual obligations, long term debt, capital lease obligations, or purchase obligations, other than leases, which are part of day-to-day business activities, such as the office rental lease and leased equipment.

OUTLOOK

Following a successful private placement financing, Midlands is poised for growth with the Sian gold resource expected to increase with each new phase of drilling. At least 20,000 metres of drilling are planned for 2010 to bring the Sian project to a pre-feasibility study stage, and increase its resource by an additional 500,000 ounces of gold. The drill program for 2010 has two components. The first component is to infill drill to increase the resource to over one million ounces, and at the same time upgrade the quality and category of the resource. The program is to perform follow-up drilling of the 2007/2008 identified gold structures around the Esaase mine. The second component is to drill test the south extensions of all identified gold zones where the extensions feature soil anomalies or IP (Induced Polarization) responses.

The March/April 2008 drilling program was approximately 2,500 metres. The program, which tested the south extensions of the Esaase Main and Esaase East zones, provided excellent follow up targets which confirm the reliability of the soil gold anomaly which extends over a 16 kilometre strike length.

Sian produced gold between 2001 and 2003 with a gold recovery rate of 93%. Midlands' goal is to increase the tonnage on Sian and move the project to a pre-feasibility study by the end of 2010 with a production decision expected by the end of 2010, subject to availability of financing and positive results from the feasibility study.

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The Company will continue to focus its efforts on further development of its mineral properties in Ghana and Tanzania. The planned work includes infill RC drilling, diamond drilling at depth on Sian and Praso, soil geochemical surveys, IP surveys, and VTEM airborne surveys on the Ghana and Tanzania properties.

The prospects for Midlands are promising for the following reasons:

- Midlands' gold properties in Ghana are located 30 kilometres from a major multi-million ounce gold deposit on the prolific belt. These properties are on trend with world class gold deposits like Newmont Mining's Akyem deposit, which has over 8.7 million ounces and Barrick Gold's Bulyanhulu deposit in Tanzania, which has over 13 million ounces;
- Midlands' diamond property in Tanzania is located 20 kilometres from a world class open pit diamond mine, which has produced more than 20 million carats;
- Midlands operates in stable and democratic gold producing countries that have a long history of gold mining as well as favourable tenure and permitting laws;
- The Company is in an ideal position to discover several large gold deposits because it possesses a growing resource on its Sian property, and controls a large gold district on the Ashanti Gold belt in Ghana;
- Midlands has prudent and experienced Management, as well as Board of Directors with solid knowledge of the countries in which the Company operates;
- It also has a technical team with a solid history of discovery

Overall, Midlands Minerals Corporation's prospects for achieving its short-term exploration objectives are promising given the drill results and the gold soil anomaly on the Sian/Praso property. Given that Midlands' Sian property has infrastructure in place, an existing CIL plant, and a 30 year mining lease, the plan is to make a production decision by the end of 2010.

In summary:

1. The Company's plan is to grow its core assets as quickly as possible. This will involve a minimum of 20,000 metres of drilling on the Sian and Kwahu Praso properties in Ghana, commencing in the first quarter of 2010 (subject to availability of financing)
2. Detailed soil surveys are planned for Kaniago, Ghana, and these will be followed by RC drilling in the third quarter of 2010
3. Further drilling is planned for the Itilima, Tanzania, project (PL 2043/02) in the last quarter of 2010 (subject to financing)
4. The Company is evaluating its prospects for the Itilima Diamond project and is seeking prospective partners with diamond expertise.

Midlands has viable high quality projects in low risk countries, and a seasoned management team with extensive experience in Africa. The Company has demonstrated access to the capital markets and low overhead costs, all of which ensures that Midlands Minerals Corporation is focused on its exploration activities. To further conduct exploration and development activities, the Company will require additional funds.

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CAPITAL STOCK

AUTHORIZED UNLIMITED COMMON SHARES

	Number of Common Shares	Amount (\$)
Balance, December 31, 2006	40,786,374	5,164,785
Issued for cash January 11, 2007	3,796,667	906,300
Issued for cash June 14, 2007	6,245,000	1,807,230
Share issue cost	-	(425,544)
Warrants exercised	2,218,417	695,558
Balance, December 31, 2008	53,046,458	8,098,340
Shares issued January 6, 2009	153,846	-
Shares issued February 3, 2009	126,582	-
Shares issued March 5, 2009	109,091	-
Shares issued April 7, 2009	145,455	-
Shares issued May 5, 2009	125,000	-
Shares issued June 30, 2009	33,333	-
Balance, June 30, 2009 & September 30, 2009	53,739,765	8,098,340

RISK FACTORS

The Company is a mineral exploration and development company and is exposed to a number of risks and uncertainties that are common to other companies in the same business. These risks and uncertainties include exploration, development, commodity, operating, ownership, political, funding, currency and environmental risk.

The Company faces significant risks, inherent in the exploration and development of its mining properties

Mineral exploration and development involves several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from the Company's operations.

Many exploration programs do not result in the discovery of an economic deposit. The commercial viability of exploiting any precious metal deposit is dependant on a number of factors including infrastructure and governmental regulation, in particular those relating to the environment, taxes, and royalties. No assurance can be given that minerals will be discovered of sufficient quality, size and grade on any of the Company's properties to justify a commercial operation.

Uncertainty of reserve and resource estimates

The mining business relies upon the accuracy of determinations as to whether a given deposit has significant mineable reserves. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent any certainty that the estimated mineral reserves and resources will be recovered. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and resources uneconomic.

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Political risk

Political and related legal and economic uncertainties exist in countries where the Company operates. Risk of foreign operation in these countries may include political unrest, corruption, war, civil disturbances and terrorist actions, arbitrary changes in the law or policies, changes to governmental regulation, foreign taxation, price and currency controls, delays in obtaining, or the inability to obtain, necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitation on the repatriation of earnings, limitation on gold exports and increased financing costs. These risks may limit or disrupt the Company's activities.

The Company will require additional funding to develop its properties

Continued development of the Company's properties will require significant financial resources. As such, the Company needs to raise significant financing. Failure to obtain such additional financing at critical times could lead to delay and indefinite postponement in the exploration and development of the Company's projects. There is no assurance that such funding will be available or that it will be obtained on favourable terms.

Lack of operating profit

The Company has incurred operating losses on an annual basis, for a number of years, arising from administrative costs related to continued exploration and development of mineral resources properties. It is anticipated that the Company will continue to experience operating losses for the foreseeable future. There can be no assurance that the Company will ever achieve significant revenues or profitable operations.

Precious metal price

The price of precious metals can fluctuate widely and is affected by numerous factors including demand, inflation, strength of the US dollar and other currencies, interest rates, gold sales by the central banks, forward sales by producers, global or regional political or financial events, and production and cost levels in major producing regions. In addition, the gold price is sometimes subject to rapid short-term changes because of speculative activities.

Even if the Company discovers commercial amounts of precious metals on its properties, it may not be able to place the property into commercial production if precious metal prices are not at sufficient levels.

Currency risk

A substantial portion of the Company's activities is expected to be carried on outside Canada. Such activities are subject to risk associated with the fluctuation in the rate of exchange of the Canadian dollar and foreign currencies.

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SUBSEQUENT EVENTS

1. Subsequent to the nine months ended September 30, 2009, the Company entered into an Agency Agreement with D & D Securities Company and Clarus Securities Inc. to act as agents in a private placement financing. The Private placement offering (the "Offering") was for up to 40,000,000 Units (the "Units") at \$0.15 (Cdn Funds) per Unit. Each Unit consisted of one common share in the capital of the Company (each a "Common Share") and one half (1/2) share purchase warrant (a "Warrant").

Each whole Warrant will be exercisable at \$0.25 (Cdn Funds) for 24 months (the "Warrant Expiry Date") following the Closing Date (as hereinafter defined) to purchase an additional common share (each a Warrant Share). The Warrants will be subject to an acceleration clause effective on that date that is twelve (12) months after the Closing Date, which clause will provide that in the event that the closing price (weighted average) of the common shares for any 30 consecutive day trading period be equal to or greater than \$0.50 the Warrant Expiry Date shall be accelerated to 10 days after that end of such 30 day period.

The Company closed on the first tranche of the private placement at \$3,124,750 and issued additional common shares totalling 21,325,000. The total issued and outstanding shares of the Company now stand at 74,906,000.

The Company paid the Agents a fee equal to 10% of the gross aggregate proceeds of the Offering, payable on the Closing Date in cash. In addition, the Company will issue to the Agents on the Closing Date, subject to regulatory approval, Agents' Warrants, for a term of eighteen (18) months from the date of closing of the financing to purchase common shares of the Company equal to 10% of the number of securities sold exercisable at a price per share equal to \$0.15 (Cdn Funds). Sub Agents will be allocated 6% cash and broker warrants reflecting their contribution towards the transaction.

2. Subsequent to the nine months ended September 30, 2009, the Company paid \$35,583 to an individual who is an officer and the amount includes accrued amounts owing for certain expenditures incurred by the individual on behalf of the Company.
3. Subsequent to the nine months ended September 30, 2009, Noel Nedrick stepped down as a director of the Company.
4. Subsequent to the nine months ended September 30, 2009, the Company paid \$50,000 to certain directors in connection with the loan agreement referenced in Note # 7 above.
5. Subsequent to the nine months ended September 30, 2009, the Company put out a tender to a number of drilling Companies in relation to the Sian and Kwahu Praso projects in Ghana. Drilling contracts are expected to be entered into before December 31, 2009.

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Forward-Looking Statements

Certain statements contained in this management's discussion and analysis constitutes 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. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions, which may prove to be incorrect.

The Company adds a cautionary statement to the effect that the potential quantity and grades referred to in this document 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 that are available at www.sedar.com.

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the consolidated financial statements and other financial information relating to the Company, included in this management discussion & analysis. The interim consolidated financial statements of the Company and the accompanying notes thereto for the period ended September 30, 2009, have been prepared in accordance with Canadian Generally Accepted Accounting Principles [GAAP].

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board has appointed an Audit Committee composed of three directors who are not members of management. The committee meets to discuss the results of their report prior to submitting the consolidated financial statements of the Company to the Board of Directors for their consideration and approval for issuance to the shareholders.

On the recommendation of the audit committee, the Board of Directors has approved the Company's interim consolidated financial statements for the period ended September 30, 2009.

Date: November 26, 2009

Original signed by:

Kim F. Harris
President and Chief Executive Officer

Original signed by:

Paul E. Singer
Chief Financial Officer