

**MIDAS RESOURCES LIMITED**  
**ABN 87 095 092 158**

**PROSPECTUS**

For a renounceable pro rata offer to Shareholders of two New Shares and two free attaching New Options for every seven Existing Shares at an issue price of \$0.06 cents per New Share to raise approximately \$3,013,016 before issue costs

**Underwriter and Lead Manager**

Patersons Securities Limited

ACN 008 896 311

**Important Notice**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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### Definitions

### Application Form

## SUMMARY OF IMPORTANT DATES

Shares quoted ex- Rights and Rights trading commences on ASX	28 April 2008
Record date to determine Entitlement	2 May 2008
Prospectus with Entitlement and Acceptance Form dispatched	6 May 2008
Last day of Rights trading	14 May 2008
Closing date for acceptances	21 May 2008
Allotment and issue of New Shares and New Options	29 May 2008
Dispatch of shareholding statements	29 May 2008
Trading of New Shares and New Options expected to commence	30 May 2008

This timetable is indicative only and subject to change. The Company, in conjunction with the Underwriter, reserves the right to vary the above dates.

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## 1 INVESTMENT HIGHLIGHTS

- JORC compliant combined mineral resource of 0.473 million ounces contained gold (9.1 million tonnes at an average grade of 1.6g/t gold at a 0.5g/t lower cut off grade) has been estimated at the advanced Fortitude gold project at Lake Carey in Western Australia.
- Midas is evaluating a number of development options for Lake Carey, including toll treatment.
- An active exploration program is currently underway at Lake Carey.
- In the PR China Midas is exploring for world class deposits via a joint venture with a major Chinese metals company in the Tian Shan mineral belt in western China.
- Diamond drilling program recently completed at Waitara in Queensland testing copper molybdenum mineralisation.
- Strong and experienced Board.
- Directors intend to fully participate in the Rights Issue.

### IMPORTANT NOTES

This Prospectus is dated 18 April 2008 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the Securities to be granted quotation on ASX.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to **Section 4.9** for treatment of overseas shareholders. Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

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## 2 CORPORATE DIRECTORY

### **Directors**

Mr Don Boyer  
(Chairman, Director)

Mr Geoff Balfe  
(Executive Director, Managing Director)

Mr Terry Streeter  
(Director)

### **Company Secretary**

Mr Phillip MacLeod

### **Auditors**

KPMG  
152-158 St Georges Terrace  
Perth WA 6000

### **Registered Office**

Level 1  
282 Rokeby Road  
Subiaco WA 6008

Telephone: (08) 9388 2211  
Facsimile: (08) 9388 2600

**ASX Code:** MDS

**ABN:** 87 095 092 158

### **Share Registry**

Advanced Share Registry Services  
150 Stirling Highway  
Nedlands WA 6009

Telephone: (08) 9389 8033

### **Solicitors**

Pullinger Readhead Lucas  
Level 2, Fortescue House  
50 Kings Park Road  
West Perth WA 6005

### **Underwriter and Lead Manager**

Patersons Securities Limited  
Level 23, 2 The Esplanade  
Perth WA 6000

### **Web Address**

[www.midasresources.com.au](http://www.midasresources.com.au)

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### 3 MANAGING DIRECTOR'S LETTER

18 April 2008

Dear Shareholder,

Your Directors are pleased to offer you an opportunity to participate in Midas' renounceable Rights Issue to raise approximately \$3,013,016 (before costs).

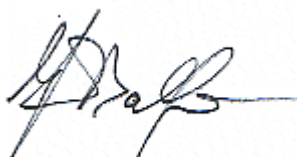
The Rights Issue is underwritten and the Company has incorporated a top up facility whereby Eligible Shareholders may apply for additional New Shares in excess of their Entitlement at the same price.

The capital raising will enable the Company to press forward with exploration on a number of fronts. The Fortitude Resource is well situated for development if suitable toll treatment arrangements are negotiated. However, to go stand-alone a larger Resource base is needed hence the Company is maintaining its aggressive exploration at the highly prospective Lake Carey tenements. In Queensland the Company has recently completed two diamond drill holes testing porphyry copper and molybdenum mineralisation at Waitara while in China the Company is finalising joint venture documentation ahead of a drilling program at the Da Hong Shan Porphyry Copper project. The Capital Raising will permit follow-up drilling at either or both of these projects, depending on results and provide working capital.

Following the completion of the capital raising the Company will have the necessary funds to execute its active work program.

The proceeds of the Rights Issue will enhance the future of the Company and on behalf of the Board, I invite you to consider the contents of this Prospectus and encourage you to participate in the Rights Issue.

Yours sincerely,



**Geoff Balfe**  
Managing Director

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## **4 DETAILS OF THE OFFER**

### **4.1 The Issue**

A renounceable pro rata entitlements issue to Shareholders of approximately 50,216,939 New Shares and 50,216,939 New Options on the basis of two New Shares plus two free attaching New Options for every seven Existing Shares held as at the Record Date at an issue price of \$0.06 cents each to raise approximately \$3,013,016 before issue costs.

### **4.2 Underwriting**

The Issue is fully underwritten by Patersons Securities Limited. A summary of the underwriting agreement is set out in **Section 5** of the Prospectus.

### **4.3 Entitlement to Rights Issue**

Shareholders who are on the Company's Share Register at the close of business on the Record Date, being 5.00 pm WST on 2 May 2008 are eligible to participate in the Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and New Options. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If Midas considers that holdings have been split to take advantage of rounding, Midas reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

An Entitlement and Acceptance Form setting out your Entitlement to New Shares and New Options accompanies this Prospectus.

Eligible Shareholders may apply for Additional New Securities in accordance with **Section 4.4** of this Prospectus.

### **4.4 Applying for Additional New Securities**

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Shares and New Options regardless of the size of their present holding.

Entitlements not taken up may become available as Additional New Securities. It is possible, particularly if there is an active Rights trading market, that there will be few or no Additional New Securities available for issue. It is an express term of the Offer that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for, if a lesser number is allocated to them, Excess Application Money will be refunded without interest. The Company and the Underwriter reserve the right to scale back any applications for Additional New Securities in their absolute discretion.

### **4.5 Rights Trading**

The Rights to Securities are renounceable, which enables Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their

Entitlement. Trading of Rights on the ASX is expected to commence on 28 April 2008 and end on 14 May 2008.

#### **4.6 Acceptances**

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company and the Underwriter to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in **Section 7** and on the Application Form which accompanies this Prospectus.

#### **4.7 Allotment and Application Money**

All Eligible Shareholders who accept the Offer will receive their Entitlement in full.

New Shares and New Options will be issued only after all Application Money has been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares and New Options will be issued on 29 May 2008 and trading of the New Shares and New Options on ASX is expected to commence on 30 May 2008.

All Application Money received before New Shares and New Options are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares and New Options are issued to Applicants, the balance of funds in the account plus accrued interest will be received by Midas.

If the New Shares and New Options are not quoted by ASX within three months after the date of this Prospectus, Midas will refund all Application Money in full.

#### **4.8 Issue Outside Australia and New Zealand**

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Issue. Residents of countries outside Australia should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application for Securities on the basis of this Prospectus. No action has been taken to register or qualify the Securities or the Issue or otherwise to permit an offering of the Securities in any jurisdiction outside Australia and New Zealand.

#### **4.9 Treatment of Overseas Shareholders**

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies)

Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

The Company has appointed the Underwriter (or associates of the Underwriter) as nominee to sell the Non-qualifying Foreign Shareholders' Rights. The Underwriter (or associates of them) will only sell those Rights if there is a viable market in those Rights and a premium over the expenses of sale can be obtained.

Any such sale will be at a price and be conducted in a manner that the nominee will determine in its absolute discretion.

The proceeds of sale (in Australian dollars) will be distributed to the Non-qualifying Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the distribution of the proceeds), save that individual amounts of less than \$10 will be retained by Midas.

Neither the Company nor the nominee will be liable for any failure to sell the Rights or to sell the Rights at any particular price. If there is no viable market for the Rights of the Non-qualifying Foreign Shareholders, their Entitlement will be allowed to lapse and the relevant New Shares will become Shortfall Shares, to be dealt with by the Underwriter in accordance with the Underwriting Agreement.

#### **4.10 Market Prices of Existing Shares on ASX**

The highest and lowest market sale price of the Existing Shares which are on the same terms and conditions as are offered under this Prospectus during the three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	<b>3 months high</b>	<b>3 month low</b>	<b>Last market sale price (on 15 April 2008)</b>
<b>Existing Shares</b>	12 cents on 6 and 27 March 2008	5.2 cents on 1 February 2008	9.1 cents

#### **4.11 Opening and Closing Dates**

The Issue will open for receipt of acceptances on 6 May 2008 and will close on 21 May 2008, subject to the right of the Company, in consultation with the Underwriter, to vary these dates.

#### **4.12 Rights and Liabilities attaching to the New Shares**

The New Shares will rank equally in respect of dividends and in all other respects (eg voting, bonus issues) as Existing Shares.

A summary of the rights and liabilities attaching to the New Shares and the New Options are set out in **Section 8**.

#### **4.13 Enquiries**

Any questions concerning the Issue should be directed to Mr Phillip MacLeod, the Company Secretary, on (08) 9388 2211.

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## 5 PURPOSE AND EFFECT OF THE ISSUE

### 5.1 Purpose of the Issue

The net funds raised from the issue of New Shares and New Options through the Offer after payment of all associated costs, are expected to provide the Company with net proceeds of approximately \$2,769,016 in additional capital.

The purpose of the Offer is to raise funds for drilling and exploration, for working capital and to repay the loan to Mr Terry Streeter (described below).

The following table shows the proposed application of funds on the assumption that none of the New Options are exercised before their expiry date. Actual expenditure incurred on the projects will depend on the results achieved.

<b>Use of Proceeds of the Issue</b>	<b>Amount \$million</b>
Drilling and other exploration	1.610
Working Capital	.659
Repayment of Loan to Terry Streeter	.500
Expenses of the Offer	.244
<b>ESTIMATED TOTAL</b>	<b>3.013</b>

### 5.2 Effect of the Issue

The principal effect of the Issue will be that:

- (a) cash reserves will initially increase by approximately \$2,769,016; and
- (b) the number of Shares on issue will increase from 175,759,287 up to 225,976,226.

### 5.3 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Issue is set out below.

#### **Capital Structure after Completion of Issue**

<b>No. of Shares</b>	
175,759,287	On issue at the date of this Prospectus
50,216,939	Issued pursuant to this Prospectus
225,976,226	<b>Total Issued Capital</b>

No. of Options	Expiry date	Exercise Price	No. Listed on ASX
<b>On Issue at the Date of this Prospectus</b>			
48,789,566	30 September 2009	\$0.10	48,789,566
1,500,000	29 November 2011	\$0.10	-
1,500,000	29 November 2011	\$0.20	-
1,450,000	2 January 2011	\$0.185	-
600,000	18 May 2011	\$0.23	-
<b>On Issue Following the Rights Issue</b>			
50,216,939	Three years from date of issue	\$0.10	50,216,939
48,789,566	30 September 2009	\$0.10	48,789,566
1,500,000	29 November 2011	\$0.10	-
1,500,000	29 November 2011	\$0.20	-
1,450,000	2 January 2011	\$0.185	-
600,000	18 May 2011	\$0.23	-

#### 5.4 Effect on the Company's Financial Position

Set out below for illustrative purposes is the historical Consolidated Balance Sheet as at 31 December 2007 (Reviewed Balance Sheet) and an unaudited Pro Forma Consolidated Balance Sheet as at 31 December 2007 after the Rights Issue. The Reviewed Balance Sheet has been extracted from the interim financial report of the Company for the six months ended 31 December 2007 which has been subject to independent review. The Reviewed Balance Sheet has been prepared on the basis of the accounting policies normally adopted by the Company.

	<b>31 Dec 2007 (Reviewed) \$</b>	<b>31 Dec 2007 (Unaudited pro forma) \$</b>
<b>Current Assets</b>		
Cash and cash equivalents	598,903	3,998,068
Deposits	564,845	564,845
Trade and other receivables	29,244	29,244
Other financial assets	526,972	526,972
<b>Total current assets</b>	<b>1,719,964</b>	<b>5,119,129</b>
<b>Non Current Asset</b>		
Trade and other receivables	2	2
Plant & equipment	63,399	63,399
Exploration and evaluation expenditure	9,764,593	9,764,593
<b>Total non current assets</b>	<b>9,827,994</b>	<b>9,827,994</b>
<b>Total Assets</b>	<b>11,547,958</b>	<b>14,947,123</b>
<b>Current Liabilities</b>		
Trade and other payables	102,683	102,683
Interest bearing loans and borrowings	89,852	589,852
Provisions	95,000	95,000
Other	14,324	14,324
<b>Total current liabilities</b>	<b>301,859</b>	<b>801,859</b>
<b>Total Liabilities</b>	<b>301,859</b>	<b>801,859</b>
<b>Net Assets</b>	<b>11,246,099</b>	<b>14,145,264</b>
<b>Equity</b>		
Contributed Equity	18,371,477	21,270,642
Reserves	628,182	628,182
Retained losses	(7,881,407)	(7,881,407)
<b>Total equity attributable to equity holders of the parent</b>	<b>11,118,252</b>	<b>14,017,417</b>
<b>Minority interest</b>	<b>127,847</b>	<b>127,847</b>
<b>Total Equity</b>	<b>11,246,099</b>	<b>14,145,264</b>

### **Assumptions for Unaudited Pro Forma Consolidated Balance Sheet**

The unaudited proforma Consolidated Balance Sheet set out above, represents the Reviewed Balance Sheet as at 31 December 2007 adjusted for the following transactions:

- The issue of approximately 50,216,939 New Shares and 50,216,939 New Options issued in accordance with this Prospectus;
- Payment of estimated costs in relation to this Prospectus of \$244,000 offset against contributed equity;

- The increase in cash and cash equivalents and contributed equity of \$130,149 on the issue of 1,301,490 Shares pursuant to the exercise of 1,301,490 listed options in February 2008; and
- The increase in cash and cash equivalents and interest bearing loans and borrowing on the advance of \$500,000 by way of an interest bearing loan from an entity associated with Director, Terry Streeter.

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## 6 COMPANY OVERVIEW AND PROJECTS

Midas is an active exploration and development company with operations in Australia and P.R. China, focusing on exploring for world class gold, copper and molybdenum deposits.

In Australia a JORC compliant mineral resource of 0.473 million contained gold ounces (9.1 million tonnes at an average grade of 1.6 g/t gold at a 0.5 g/t cut off grade) has been estimated on its advanced gold project at Lake Carey in the world class Laverton Tectonic Zone. The Fortitude resource is at a pre-feasibility stage and the Company is evaluating a number of development options concerning toll treatment within trucking distance of Lake Carey. The Company maintains an active gold exploration program at Lake Carey and if a larger mineral resource can be identified through successful exploration then, subject to feasibility study outcomes, a stand-alone mining operation would likely be the preferred alternative to toll treatment.

In Queensland the Company is exploring the Waitara copper-molybdenum project in the Connors Range, and a first stage diamond drilling program has just been completed.

In the PR China Midas is exploring for world class deposits via a joint venture with a major Chinese metals company in the Tian Shan mineral belt in western China. The project is known as the Da Hong Shan porphyry copper deposit.

### 6.1 LAKE CAREY GOLD PROJECT – Western Australia (100% interest)

The Lake Carey Project tenements cover 288km<sup>2</sup>. The Company has identified prospective gold targets in the Intrepid and Fortitude North areas and has recently completed reconnaissance aircore drilling.

The results of this drilling are still being received and assessed however it is planned to carry out more systematic drilling in one or both of these areas over the next six months with the objective of locating a mineralised system with the potential for one million ounces of contained gold, as this could justify a feasibility study into a stand alone mining and treatment operation. There is no certainty at this stage that further drilling will successfully identify such a target. The mineralisation referred to is conceptual in nature and there has been insufficient exploration to define such a mineral resource.

The Company has drilled-out a JORC compliant mineral resource at Fortitude which is presented in Table 1 below for a range of cut off grades. Development of the Fortitude mineral resource will be considered if a suitable toll treatment arrangement is negotiated with existing operators in the region.

As a result of the firmer gold price since the pre-feasibility studies were completed in July 2007, the Company is updating the wire frame model of the mineral resource with the objective of re-running the studies and updating the resource calculations. A positive outcome of this work together with progress on toll treatment negotiations will guide any decision about commencement of a full feasibility study.

<b>Table 1</b>			
<b>Fortitude Gold Deposit</b>			
<b>Total Mineral Resource</b>			
<b>Multiple Indicator Kriging Estimate - 3mE x 6mN x 2.5mRL Selective Mining Unit</b>			
<b>Lower Cutoff Grade (g/t Au)</b>	<b>Tonnes (Mt)</b>	<b>Average Grade (g/t Au)</b>	<b>Metal (Kozs Au)</b>
<b>Indicated</b>			
0.5	3.051	1.7	164
0.8	2.271	2.0	148
1.0	1.882	2.3	137
1.2	1.556	2.5	126
1.5	1.172	2.9	109
<b>Inferred</b>			
0.5	6.017	1.6	309
0.8	4.284	2.0	274
1.0	3.445	2.3	250
1.2	2.783	2.5	227
1.5	2.172	2.9	201
<b>Total</b>			
0.5	9.068	1.6	473
0.8	6.555	2.0	423
1.0	5.327	2.3	388
1.2	4.339	2.5	353
1.5	3.344	2.9	311

## **6.2 CONNORS RANGE JOINT VENTURE – Queensland (76.9% interest)**

Connors Range is a joint venture between Midas (76.9%), SmartTrans Holdings Limited (13.1%) and Australia Ores and Minerals NL (10%).

The joint venture is currently drill testing the Waitara porphyry copper (Cu) molybdenum (Mo) project where two diamond holes have been recently completed. Assay results are expected in about six week's time.

The Company completed systematic soil and rock-chip sampling in 2007 that identified a significant molybdenum geochemical anomaly at surface. The two recently completed drill holes were designed to test molybdenum anomalies that were identified but not tested by any of the previous drilling carried out in the 1970's.

The objective of the recent drilling has been to target an interpreted core of relatively high grade Mo mineralisation that is surrounded by an extensive halo of disseminated Cu mineralisation as indicated by the drilling in the 1970's.

It is expected that following evaluation of the results of the recent drilling a follow-up drilling program will be undertaken to more systematically test the extent of the molybdenum mineralisation.

### **6.3 DA HONG SHAN PORPHYRY COPPER PROJECT – PR China (Right to Earn up to 70% interest)**

In January, Midas signed a Memorandum of Understanding (“MoU”) with one of China's largest resources companies, Zijin Mining Group Co Ltd (“Zijin”) which is listed on the Hong Kong Stock Exchange under the code: 2899 with a market capitalisation of approximately AUD\$2.0 billion as at Dec 31 2008, to explore the Da Hong Shan porphyry copper project in western China.

The Da Hong Shan project, located within the Tian Shan mineral belt of Xinjiang province, comprises three contiguous exploration licences with a total area of 302 km<sup>2</sup>.

The MoU between the two companies sets out the future joint venture relationship and the commercial terms under which Midas can earn up to a 70% interest in the project, subject to a Zijin Buy-back right. Midas has completed due diligence on the project and has given notice to Zijin of its intent to formalise the contractual agreement.

The MoU provides for an initial one-year Joint Venture Agreement (Stage One) during which MMCL must spend at least US\$200,000 on exploration including 2,000m of diamond drilling. At the completion of Stage One MMCL may elect to proceed to Stage Two, at which stage it will have a 30% interest, and to form an Equity (incorporated) Joint Venture with Zijin. The tenements would then be transferred to the joint venture company. Stage Two provides for MMCL to contribute a total of US\$3.5M (including Stage One expenditure) over three years to fully acquire a 50% equity interest. MMCL can then increase its interest to 70% by:

- (a) drilling out an Ore Reserve of at least 200,000 tonnes of contained copper under JORC classification (equivalent to Chinese 111 classification);
- (b) completing a definitive feasibility study, and
- (c) recommending a commercial development.

The agreement provides for Zijin to have the right to buy-back to a 60% interest if MMCL earns a 70% interest.

Formal documentation is currently being finalised and on its completion the exploration will commence on this highly prospective project. Discussions are advancing with several contractors to undertake the initial drilling and exploration activities. The initial exploration activity will be targeted at the Fuxing Mineralisation where Zijin has already indicated the presence of porphyry style copper mineralisation. Fuxing is in the Tian Shan mineral belt which contains several “world class” copper and gold deposits of the type sought by the Company and is considered to be highly prospective.

*The information within this Company Overview and Projects section as it relates to exploration results and geology was compiled by Mr. Paul Dunbar who is a member of the Australian Institute of Mining and Metallurgy. Mr. Dunbar is a full time employee of the Company. Mr. Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information within this Company Overview and Projects section as it relates to mineral resources was compiled by Mr. Brian Wolfe who is a member of the Australian Institute of Mining and Metallurgy. Mr. Wolfe is resource consultant with Coffey Mining Pty Ltd. Mr. Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Wolfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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## **7 ACTIONS REQUIRED BY SHAREHOLDERS**

### **7.1 What you may do**

The number of Securities you are entitled to is shown on the accompanying Application Form. You may

- (a) subscribe for all of your Entitlement to Securities (refer to **Section 7.2**);
- (b) apply for Additional New Securities (refer to **Section 7.3**);
- (c) sell all or part of your Entitlement to Securities on the ASX (refer to **Section 7.4**);
- (d) subscribe for part of your Entitlement and sell the balance on the ASX (refer to **Section 7.5**);
- (e) subscribe for part of your Entitlement and allow the balance to lapse (refer to **Section 7.6**);
- (f) transfer all or part of your Entitlement to another person other than on ASX, with or without taking up the balance (refer to **Section 7.7**); or
- (g) not subscribe for any of your Entitlement and allow it to lapse (refer to **Section 7.8**).

### **7.2 If you wish to subscribe for all of your Entitlement**

If you wish to subscribe for all of your Entitlement, complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of Securities you are entitled to. The completed Application Form must be accompanied by a cheque or bank draft made payable to "Midas Resources Limited – Rights Offer" and crossed "Not Negotiable" for the appropriate Application Monies in Australian dollars calculated at \$0.06 per New Share and New Option accepted, and received by the Share Registry at either of the following addresses by no later than 5.00 pm (WST) on 21 May 2008. The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of Securities you have applied for in your Application Form, you may be taken to have applied for such lower number of Securities as your cleared Application Monies will pay for (and to have specified that number of Securities in your Application Form) or your Application may be rejected.

Street Address:	Postal Address:
Advanced Share Registry Services 150 Stirling Highway Nedlands WA 6009	Advanced Share Registry Services PO Box 1156 Nedlands WA 6909

An addressed envelope is enclosed for your convenience. A postage stamp is required.

### **7.3 Applications for Additional New Securities**

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding. Refer to **Section 4.4** if you wish to apply for Additional New Securities.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Securities you wish to apply for as stated on the Application Form.

### **7.4 If you wish to sell all or part of your Entitlement on ASX**

If you wish to sell all or part of your Entitlement on ASX, complete the section headed "Instructions to your Stockbroker" on the accompanying Application Form, and forward it to your stockbroker as soon as possible.

Trading of Rights will commence on ASX on 28 April 2008. Sale of your Rights is only able to be completed on or before 2.00 pm (WST) on 14 May 2008 when Rights trading ceases.

In dealing with the completed Application Form, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

Applicants buying Rights on ASX will need to pay the Application Monies to take them up and should follow the directions of their stockbroker.

### **7.5 If you wish to subscribe for part of your Entitlement and sell the balance on ASX**

If you wish to subscribe for part of your Entitlement and sell the balance on ASX, complete the accompanying Application Form, including the section headed "Instructions to your Stockbroker", in accordance with the instructions set out on that form and forward to your stockbroker, together with your cheque or bank draft for the Application Monies for the Securities for which you wish to subscribe as soon as possible.

Your stockbroker will need to ensure that the completed Application Form reaches the Share Registry by 5.00pm (WST) on 21 May 2008.

Trading of Rights will commence on ASX on 28 April 2008. Sale of your Rights is only able to be completed on or before 2.00 pm (WST) on 14 May 2008 when Rights trading ceases.

In dealing with the completed Application Form, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

Persons buying Rights on ASX will need to pay the Application Monies to take them up and should follow the directions of their stockbroker.

#### **7.6 If you wish to subscribe for part of your Entitlement and allow the balance to lapse**

If you wish to subscribe for part of your Entitlement and allow the balance to lapse, complete the accompanying Application Form stating the number of Securities you wish to subscribe for in accordance with the instructions set out on the Entitlement and Acceptance Form. The completed Application must be accompanied by a cheque or bank draft for the appropriate Application Monies calculated at \$0.06 per New Share and New Option you wish to accept, and received by the Share Registry by no later than 5.00 pm (WST) on 21 May 2008.

#### **7.7 If you wish to transfer all or part of your Entitlement to another person other than on ASX**

If you are a Shareholder, hold Shares registered on the issuer sponsored sub-register and wish to transfer all or part of your Rights to another person other than on ASX, send a completed standard renunciation form (obtainable from your stockbroker or the Share Registrar) signed by both you (as seller) and the buyer, together with your Application Form completed by the transferee and the transferee's cheque or bank draft for the appropriate Application Monies calculated at \$0.06 per New Share and New Option they wish to accept, to reach the Share Registry by no later than 5.00 pm (WST) on 21 May 2008.

If you are a Shareholder, hold Shares registered on CHESS and wish to transfer all or part of your Entitlement to another person other than on ASX, you should contact your sponsoring participant.

Applicants accepting a transfer of Entitlements as referred to above will need to pay the Application Monies to take them up.

#### **7.8 Entitlements not subscribed for**

If you are a Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything. You should, however, consider renouncing (selling) your Rights rather than allowing them to lapse. Entitlements to Securities not accepted will form part of the Shortfall which will be dealt with by the Underwriter in accordance with the Underwriting Agreement, and you will receive no benefit.

It is therefore important that, if you wish to receive a benefit, you take action either to accept or sell your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement or choose not to renounce (sell) any of your Rights.

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## **8 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

The following is a summary of the more significant rights and liabilities attaching to Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Securities are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **8.1 Shares**

#### **(a) Share Capital**

All issued Shares rank equally in all respects.

#### **(b) Voting Rights**

At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share. Where there is an equality of votes, the chairperson has a casting vote.

#### **(c) Dividend Rights**

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the Shareholders in proportion to the Shares held by them respectively, according to the amount paid up (not credited) as paid up on the Shares.

#### **(d) Rights on Winding-Up**

Subject to the rights of holders with shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the shares held by them respectively, accordingly to the amount paid up or credited as paid up on the share.

#### **(e) Transfer of Shares**

Shares in the Company may be transferred by instrument in any form which complies with the Company's constitution, the Corporations Act and ASX Listing Rules and SCH Business Rules.

Shares may be transferred by such means in accordance with ASX Listing Rules and the SCH Business Rules. The Directors may refuse to register a transfer of shares only in those circumstances permitted by the Company's constitution, ASX Listing Rules and SCH Business Rules.

**(f) Calls on Shares**

Where shares are issued as partly paid, the Directors may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and ASX Listing Rules, the shares in respect of the call may be forfeited and interest and expenses may be payable in accordance with the Company's constitution, the Corporations Act and ASX Listing Rules or proceedings taken to recover the amount unpaid.

**(g) Further Increases in Capital**

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's constitution, ASX Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

**(h) Variation of Rights Attaching to Shares**

Where shares of different classes are issued, the rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

**(i) General Meeting**

Each holder of shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Company's constitution, the Corporations Act and ASX Listing Rules.

## **8.2 Options**

The New Options issued pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) Each New Option shall entitle the Option holder, when exercised, to one Share.
- (b) The New Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) on the date being three years after their issue date ("**Expiry Date**"). New Options not exercised by that date shall lapse.

- (c) Each New Option may be exercised by notice in writing to the Company, together with the payment for the number of Shares in respect of which the New Options are exercised, at any time before the Expiry Date. Any notice of exercise of a New Option received by the Company will be deemed to be a notice of the exercise of that New Option as at the date of receipt.
- (d) The New Option exercise price is \$0.10 per New Option.
- (e) A New Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the New Option can be exercised.
- (f) Shares issued upon exercise of the New Options will be issued following receipt of all the relevant documents and payments and will rank equally in all respect with the then issued Shares.
- (g) The Company will apply for quotation on ASX of the New Options and all Shares issued upon exercise of the New Options.
- (h) Subject to the Corporations Act, the Constitution and the Listing Rules, the New Options are freely transferable.
- (i) There are no participating rights or entitlements inherent in the New Options and New Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced so as to give New Option holders the opportunity to exercise their New Options before the date for determining entitlements to participate in any issue.
- (j) If at any time the issued capital of the Company is reorganised, the rights of a New Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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## **9 RISK FACTORS**

### **9.1 General**

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **9.2 Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

### **9.3 Market conditions**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **9.4 Risks of Conducting Business Overseas**

In addition to Australia the Company is exploring in the Peoples Republic of China. Strategic risk factors that impact offshore activities include sovereign risk, political risk and commercial risk.

Sovereign risk is risk of default, often through retrospective legislation, by the State itself, usually the result of adverse government regulation or laws that may reflect an unstable political or economic situation. The risk of expropriation and adverse government action covers the risks of breach of contract by the government and also risks related to the functioning of the judiciary system and the risk of a possible negative change of attitude towards foreign investors.

Political risk is any event occurring abroad which assumes the nature of *force majeure* for contracted parties, such as wars, revolutions, natural disasters, currency shortages, and government action or inaction.

Commercial risk consists primarily of case-by-case "micro-economic" or other situations that affect individual businesses or business sector activity. Some factors have an influence on commercial risk at a country level, thereby affecting the business activity of all sectors in a country. Examples of this are the effects of a sharp devaluation, high real interest rates, a recession, exchange rates, strikes, widespread corruption, monetary controls, etc. Risk factors in China are considered acceptable. The political risk in China

results from the lack of a fully transparent legal and political system. As China is now a signatory to the WTO, which requires certain ongoing legal and political reforms in order to maintain membership, it is considered that the political risk for China will diminish over time and is therefore acceptable.

## **9.5 Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

## **9.6 Exploration and Evaluation Risks**

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful in yielding positive exploration results or in delineating economically minable reserves and resources, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

## **9.7 Commodity Price and Exchange Rate Risks (US\$ in particular)**

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## **9.8 Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

## **9.9 Native Title and Title Risks**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

## **9.10 Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

## **9.11 Future Capital Requirements**

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **9.12 Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

#### **9.13 Changes to Accounting Standards**

For reporting periods beginning on or after 30 June 2005, the Company must comply with International Financial Reporting Standards (IFRS). These changes will affect the way certain items are reported in the Company's financial statements. The most significant changes to accounting treatment under the IFRS as it applies to the Company are likely to be related to the accounting for research and development costs, and intangible assets such as licences, goodwill and carried forward exploration costs. The Company must review the amortisation period and the amortisation method at least at the end of each annual reporting period.

#### **9.14 Resource Estimations**

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

#### **9.15 Reliance on Key Personnel**

The Company's success depends largely on the core competencies of its directors and management, and their familiarisation with, and ability to operate, in the metals and mining industry and the Company's ability to retain its key executives.

#### **9.16 Regulatory Risks**

Operations by the Company may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company. While the Company has no reason to believe that all requisite approvals will not be forthcoming investors should be aware that the Company cannot guarantee that any requisite approvals will be obtained. Failure to obtain any approvals would mean that the ability of the Company to develop or operate any projects, or possibly acquire any projects, may be limited or restricted either in part or absolutely.

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## 10 ADDITIONAL INFORMATION

### 10.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111 AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Securities which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the financial statements of the Company for the financial year ended 30 June 2007 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and
- (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2007 audited financial statements:

<b>Date</b>	<b>Description of Announcement</b>
17 April 2008	Fully Underwritten Renounceable Rights Issue
16 April 2008	Trading Halt
11 April 2008	Quarterly Report (including disclosure of Terry Streeter loan)
8 April 2008	Change of Share Registry Address
26 March 2008	AOM: JV Partner to Commence Drilling
26 March 2008	Update on Exploration Activity
13 March 2008	Half Year Accounts
6 March 2008	Response to ASX Query
19 February 2008	Change of Director's Interest Notice
19 February 2008	Sunset Well Project Option to St Barbara
19 February 2008	Exploration Update: Drilling at Intrepid Gold Target
6 February 2008	Change of Director's Interest Notice
6 February 2008	Appendix 3B
29 January 2008	Quarterly Cashflow Report
25 January 2008	December 2007 Quarterly Report on Operations
23 January 2008	Midas signs MoU with Zijin Mining Group Copper Expl'n
22 January 2008	Trading Halt Request
22 January 2008	Trading Halt
10 December 2007	Exploration Update
3 December 2007	Managing Director's Presentation to November 30 AGM

Date	Description of Announcement
30 November 2007	Results of Meeting
5 November 2007	Bindah Drilling Update
1 November 2007	Updated Company Presentation
30 October 2007	Quarterly Cashflow Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

## 10.2 Material Contracts

The following is a summary of the significant terms of the material agreements which relate to the business of the Company.

### Underwriting Agreement

The Company has executed an underwriting agreement dated 17 April 2008 (“**Underwriting Agreement**”). Pursuant to the Underwriting Agreement, the Underwriter will be entitled to an underwriting fee equalling 5% of the amount underwritten, and a management fee of \$60,000.

The Underwriter will pay all sub-underwriting commissions out of its fees. The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and be relieved of its obligations if the usual and appropriate termination events occur before the payment date in the Underwriting Agreement and in particular, if one of the following events occurs and the Underwriter holds the opinion, acting reasonably, that the event will have a material adverse effect on the Offer:

- (a) the All Ordinaries Index as published by ASX or the price of gold per ounce in US dollars as published in the Australian Financial Review is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; and
- (b) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.

### Sub-Underwriting Agreements

Directors Don Boyer and Terry Streeter have executed sub-underwriting agreements with the Underwriter and as such will subscribe for part of the Shortfall Shares (if any).

The terms on which Messrs Boyer and Streeter have agreed to sub-underwrite are identical terms as all other sub-underwritings. Messrs Boyer and Streeter's sub-underwriting commitments are unconditional and irrevocable. However, if the Offer does not proceed, or if the Underwriter terminates its obligations under the Underwriting Agreement, then the sub-underwriting arrangements (including any entitlement to fees) immediately terminate.

Mr Boyer has agreed to sub-underwrite up to \$180,000 or 3 million New Shares and 3 million New Options. Under the sub-underwriting agreement, Mr Boyer will be paid a sub-underwriting fee of 1.25% of the amount agreed to be sub-underwritten by him (\$2,250).

Mr Streeter has agreed to sub-underwrite up to \$690,000 or 11.5 million New Shares and 11.5 million New Options. Under the sub-underwriting agreement, Mr Streeter will be paid a sub-underwriting fee of 1.25% of the amount agreed to be sub-underwritten by him (\$8,695).

### **10.3 Directors' Interests**

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue of Securities pursuant to this Prospectus; or
- (c) the Issue of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Issue of Securities pursuant to this Prospectus.

Directors' interests in Securities of the Company at the date of this Prospectus are:

<b>Name</b>	<b>Shares</b>	<b>Options</b>
Don Boyer (Non-executive Chairman)	10,738,913	87,500 expiring 30 Sept 2009 250,000 expiring 29 Nov 2011
Geoff Balfe (Managing Director)	467,636	100,000 expiring 30 Sept 2009 2,500,000 expiring 29 Nov 2011
Terry Streeter (Non-executive Director)	31,995,833	8,354,672 expiring 30 Sept 2009 250,000 expiring 29 Nov 2011

As disclosed in section 10.2 above, Don Boyer and Terry Streeter have agreed to participate in the issue as sub-underwriters. Don Boyer has agreed to participate in the issue by sub-underwriting \$180,000 or 3 million New Shares and 3 million New Options on the same terms and conditions as other sub-underwriters. Terry Streeter has agreed to participate in the issue by sub-underwriting \$690,000 or 11.5 million New Shares and 11.5 million New Options on the same terms and conditions as other sub-underwriters.

If Terry Streeter takes up his entitlement to Securities under this Prospectus (being an entitlement to 9,141,666 New Shares and 9,141,666 New Options) and subscribes for the Securities pursuant to the sub-underwriting arrangement, his interests in Securities of the Company on completion of the Rights Issue will increase to a maximum of 22.4% of the Company's Shares. Mr Streeter relies on item 13 of section 611 of the Corporations Act to acquire more than 20% of the Company's Shares.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares. In the two years preceding lodgement of this Prospectus, \$621,692 (excluding GST where applicable) has been paid or is payable by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. This remuneration includes the value attributable to options granted to the Directors by virtue of their position. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

As previously announced, Terry Streeter has provided an unsecured loan of \$500,000 to the Company. Interest on the loan accrues at the NAB bank's base rate.

## 10.4 Interests and Consents of Experts and Advisers

The following parties have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named:

- Patersons Securities Limited, in the capacity of Underwriter and Lead Manager;
- KPMG in the capacity of auditors of the Company;
- Pullinger Readhead Lucas, in the capacity of solicitors to the Company; and
- Coffey Mining Pty Ltd in the capacity of employer of a competent person.

References to Advanced Share Registries Pty Ltd as share registry to the Company appears for information purposes only.

Each of Patersons Securities Limited, KPMG, Pullinger Readhead Lucas and Coffey Mining Pty Ltd:

- has not authorised or caused the issue of this Prospectus;
- has not made any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, except where expressly stated above;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of or omissions from this Prospectus other than a reference to its name and except where expressly stated above; and
- was not involved in the preparation of the Prospectus or any part of it except where expressly attributed to that person.

Patersons Securities Limited is acting as Underwriter and Lead Manager and for this is being paid a management fee of \$60,000 (plus GST), an underwriting fee of 5% of the amount underwritten under the Issue. Patersons Securities Limited is also entitled to reimbursement of out of pocket expenses.

Pullinger Readhead Lucas are entitled to be paid approximately \$7,000 for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and in relation to application for quotation of the Securities on ASX.

No expert, nor any firm of which such expert is a partner, has or had in the past two years any interest in the promotion or formation of the Company or in property proposed to be acquired by the Company, nor have any amounts been paid or agreed to be paid (whether in cash, shares or otherwise) to an expert or to a firm in which an expert is a partner for services rendered by the expert in connection with the promotion of the Company other than set out below.

KMPG has been paid or is due a total of \$138,000 for services provided in the 24 months preceding lodgement of this Prospectus. This amounts was paid for the provision of

professional services in relation to the auditing of the financial statements of the Company and associated parties and for taxation and advisory services, at normal commercial rates.

Patersons Securities Limited has been paid \$286, 256 in the 24 months preceding lodgement of this Prospectus for the provision of underwriting, lead management and corporate advisory services to the Company.

Pullinger Readhead Lucas has been paid a total of \$28,200 in the 24 months preceding lodgement of this Prospectus for the provision of professional services to the Company.

Coffey Mining Pty Ltd has been paid a total of \$126,128 in the 24 months preceding lodgement of this Prospectus for the provision of professional services to the Company.

## **10.5 Estimated Expenses of Issue**

The estimated expenses of the Issue are as follows:

	<b>\$'000</b>
Listing fees	15
ASIC Fees	2
Broker fees	211
Legal and other expenses	8
Printing and mailing expenses	8
Total	<hr/> 244 <hr/>

## **10.6 Electronic Prospectus**

A copy of the Prospectus can be downloaded from the website of the Company at [www.midasresources.com.au](http://www.midasresources.com.au).

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company or the Underwriter.

## **10.7 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

#### **10.8 Directors' Consent**

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.

**Don Boyer**  
Chairman

Dated: 18 April 2008

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11 **GLOSSARY**

**Additional New Securities** means New Shares and New Options in addition to an Eligible Shareholder's Entitlement for which an Applicant makes an Application.

**Application Form** means the Entitlement and Acceptance Form attached to or accompanying this Prospectus that sets out the Entitlement of Shareholders to subscribe for Securities pursuant to the Rights Issue.

**Application Monies** means monies received from persons applying for Securities pursuant to the terms of the Rights Offer

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 51 008 624 691).

**Business Day** means a day on which trading takes place on the stock market of ASX.

**CHES** means ASX Clearing House Electronic Sub-registry System.

**Closing Date** means 21 May 2008 or such other date as may be determined by the Directors and the Underwriters under this Prospectus.

**Company** means Midas Resources Limited (ABN 87 095 092 158).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Commonwealth).

**Directors** means directors of the Company at the date of this Prospectus.

**Dollar** or \$ means Australian dollars.

**Eligible Shareholder** means a Shareholder other than a Non-Qualifying Foreign Shareholder.

**Entitlement** means a Shareholder's entitlement to subscribe for Securities offered by this Prospectus.

**Existing Share** means a fully paid ordinary share in the capital of the Company.

**Issue** means the issue of Securities under this Prospectus.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of the ASX.

**New Options** means an option attached to a New Share to subscribe for one ordinary share in the Company at \$0.10 on or before the date being three years after the date of issue, at the ratio of one New Option for every one New Share issued, to be listed on ASX.

**New Shares** means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

**Non-qualifying Foreign Shareholder** means a Shareholder, whose registered address is not in Australia or New Zealand.

**Offer** means the offer of two New Shares for every seven Existing Shares held at the Record Date at an issue price of \$0.06 cents per New Share with one free attaching New Option for every one New Share issued.

**Option** means an option to subscribe for a Share.

**Prospectus** means the prospectus constituted by this document.

**Record Date** means 2 May 2008.

**Rights** means the right to subscribe for New Shares (with New Options) under this Prospectus.

**Rights Issue** has the same meaning as the Offer.

**Securities** means the New Shares and New Options to be issued under this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share registered on the Record Date.

**Shortfall Shares** means New Shares for which successful valid applications have not been received by the Closing Date.

**Underwriter** means Patersons Securities Limited (ACN 008 896 311).

**Underwriting Agreement** means the underwriting agreement dated 17 April 2008 between the Underwriter and the Company.

**WST** means Western Standard Time.