



AUSTRALIAN STOCK EXCHANGE LIMITED

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Dear Sirs

INFORMATION RELEASE

STRONG POTENTIAL CASH FLOWS INDICATED BY FORTITUDE PIT OPTIMISATION STUDY

HIGHLIGHTS

- Significant potential cash flows (\$21M at \$750/oz) indicated for higher gold prices
- Cash positive in all cases from a gold price of \$500/oz and upwards, indicating low risk to gold price fluctuations
- Midas currently carrying out a resource estimate at a 0.8gpt Au cut off grade for input to a second pit optimisation study.
- Further resource definition drilling, environmental studies and geotechnical work planned in 2006 for input to a feasibility study.

Midas Resources has received updated results from a recently completed independent pit optimisation study for the Fortitude Resource at a 1.0gpt Au cut off grade. . The work was carried out by Minecomp Pty Ltd. The previous study was carried out in December 2004.

The Mineral Resource has previously been reported as both a “Global Mineral Resource” and as a “Core Area Mineral Resource”. The Global Mineral Resource entails the full mineralised strike length of the Fortitude shear zone while the “Core Area” is a more restricted 600m strike length part of that structure which contains the best developed lode formations and it includes the area of the previous pit designs.

The completed study is a scoping level assessment intended as a guide to the selection of an optimum case for more detailed mining studies including pit designs for potential inclusion in a future feasibility level assessment.

Tables showing JORC compliant Total Mineral Resources and Core Area Mineral Resources at a 1.0 gpt cut off grade are presented below:

“GLOBAL” MINERAL RESOURCE SUMMARY

	Tonnes	Grade	Ounces
Measured	974,000	2.0	62,724
Indicated	3,215,000	2.0	210,140
Inferred	2,453,000	2.1	164,199
Total	6,643,000	2.0	437,193

“CORE AREA” MINERAL RESOURCES

	Tonnes	Grade	Ounces
Measured	913,000	2.0	58,472
Indicated	2,883,000	2.0	188,069
Inferred	2,133,000	2.0	140,515
Total	5,930,000	2.0	387,027

Pit Optimisation Results

The following table shows the sensitivity of the project to gold price for a range of Whittle 3D optimum pit shells from \$500/oz to \$800/oz:

PIT	RESOURCE	OUNCES	OPERATING	OPERATING	OPERATING	OPERATING	
SHELL	TONNAGE	GRADE	RECOVERED	PROFIT	PROFIT @	PROFIT @	PROFIT @
(\$/oz)	(t)	(g/t)	(oz)	(\$)	\$700/oz	\$750/oz	\$800/oz
					(\$)	(\$)	(\$)
500	369,896	3.08	34,484	4,847,216	11,571,666	13,252,778	14,933,890
525	432,802	2.94	38,445	5,741,453	12,301,191	14,175,402	16,049,613
550	571,121	2.76	47,578	6,851,007	13,809,287	16,128,714	18,448,141
575	698,577	2.67	56,397	8,140,451	15,013,895	17,763,272	20,512,650
600	811,100	2.62	64,335	9,652,420	15,925,113	19,061,460	22,197,806
625	903,275	2.62	71,508	11,299,912	16,528,917	20,014,920	23,500,923
650	993,326	2.62	78,751	13,121,536	16,960,656	20,799,776	24,638,896
675	1,018,460	2.60	79,875	15,045,541	16,992,502	20,886,422	24,780,342
700	1,072,211	2.57	83,289	17,022,203	17,022,203	21,082,545	25,142,887
725	1,165,666	2.56	90,136	19,104,357	16,907,282	21,301,431	25,695,581
750	1,222,254	2.56	94,583	21,368,009	16,757,102	21,368,009	25,978,916
775	1,294,167	2.56	100,219	23,745,172	16,416,660	21,302,335	26,188,010
800	1,340,459	2.56	103,869	26,229,203	16,101,955	21,165,579	26,229,203

Note : Assumes 10% Mining Dilution at 0.3gpt Au, 100% Mining Recovery and 94% Metallurgical Recovery; Utilising 44° overall pit slope, 1.0M tpa throughput.

The results indicate potential for financial robustness at all the above gold prices and the generation of significant cash flows at the higher gold prices. Cost data used in the study is based on updated cost estimates for current and planned mining operations in the Laverton area.

NOTE: The mineral resources contained within the optimised pit shells are not to be regarded as Ore Reserves and the estimated cash flows are not firm cash flow projections. No allowance for the capital cost of construction of a mill or trucking to an existing mill is included in the study as the purpose of a pit optimisation is to select the most efficient pit shell for more detailed design and feasibility studies.

Development Plans

The company is proceeding with a systematic review and update of the Fortitude gold project with the objective of determining the critical path to commercial development of a mine, as justified by the financial studies.

It is expected that completion of a full feasibility study may require additional geotechnical information including additional resource definition drilling within the new pit shells, geotechnical slope stability drilling, hydrology, and environmental base line studies. The company intends to implement the necessary technical work in 2006 according to strategic and commercial objectives.

Tenure

Midas has a strategic (588km²) tenement position in the South Laverton area and it is pro-actively exploring the project area.

The Board of Midas is highly encouraged by the latest results and intends to continue to move the Fortitude Project forward to development, as justified by the ongoing commercial and technical work.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'G Balfe', is centered below the text 'Yours sincerely'.

Geoff Balfe
Managing Director CEO

MIDAS RESOURCES LIMITED

The information within this report as it relates to exploration results, geology and mineral resources was compiled by Mr Geoff Balfe who is a member of the Australian Institute of Mining and Metallurgy. Mr Balfe is a full time employee of the Company. Mr. Balfe 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 Balfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
