



16 March 2006

The Manager
Australian Stock Exchange Limited (“ASX”)
Company Announcements Office

No Pages: 5

Dear Sir,

DRILLING STARTS ON UNCLE SAM ALASKA GOLD PROJECT

Highlights

- **Drilling has commenced on the Company’s Uncle Sam gold project in Alaska following the execution of formal Joint Venture documentation.**
- **An initial winter program of up to 16 holes totaling 2,000 metres of reverse circulation (RC) drilling is planned for completion within 3 weeks.**
- **The drilling will test 6 targets identified from previous soil sampling and drilling programs, including follow-up drilling of a previous intersection of 6.1 metres at 10.61 g/t gold. The mineralisation targeted is similar in style to the world class, high grade Pogo deposit recently brought into production by Teck Cominco and Sumitomo ~60km to the east.**
- **Uncle Sam drilling results should be available within 8 weeks.**
- **The June quarter will be a busy period with ongoing evaluation of the Fortitude gold deposit in Western Australia, and results expected from sampling of the Mahalla Creek epithermal gold prospect in Queensland, and initial field programs on the Company’s new Dali Nickel and Shimian Gold projects in south western China as well as the Uncle Sam drilling program.**

ALASKA

The Directors of Midas Resources Limited (“Midas”) are pleased to announce that drilling commenced this week on the Uncle Sam gold project in Alaska. The drill program will involve up to 16 Reverse Circulation percussion drill holes for a total of 2,000m testing a range of gold and multi-element anomalies plus following up around some significant drill intersections obtained by Kennecott Exploration Inc..

Uncle Sam is a joint venture between wholly owned subsidiaries of Midas Resources Limited (ASX:MDS) and Geoinformatics Exploration Inc (“GEX”) (CDNX:GXL.V). Midas has the right to earn up to a 75% interest subject to GEX’s right to contribute after Midas earns a 51% interest. Kennecott retains a 2%NSR but may exercise a back-in right under certain conditions. There are no state royalties applicable.

Exploration for a high-grade “Pogo” Style Gold Deposit

Uncle Sam is located in central Alaska within the prolific Tintina Gold Belt, which has a substantial endowment in excess of 200 million ounces (>600t) of gold, more than double the endowment of Western Australia’s Golden Mile. The property is in the same belt as several world-class (>100t) gold deposits such as the Pogo gold deposit of Teck Cominco and Kinross’ Fort Knox gold deposit. Each of these mines produces in excess of 400,000oz of gold per year. Kennecott targeted the Uncle Sam project area while exploring for a large tonnage gold deposit like Fort Knox, and exploration on the property by Kennecott has involved 23 diamond drill holes and 50 shallow (max depth 73m) vertical RC holes. This drilling resulted in the discovery of widespread gold mineralization including several potentially ore-grade drill intersections. Highlights of the drill intersections are tabulated below and selected intersections are shown on the attached figure 1.

PREVIOUS DRILL RESULTS (0.5gpt cut off grade)				
Hole_ID	From	To	Interval Width (m)	Au (gpt)
USC001	28.0	34.0	6.0	0.64
USC001	194.0	197.3	3.3	4.38
USC002	1.2	7.0	5.8	1.25
USC002	17.0	23.77	6.8	0.88
USC002	86.0	92.77	6.8	1.29
USC005	86.25	89.65	3.4	1.45
USC007	70.0	73.0	3.0	1.60
USC011	87.78	99.0	11.2	2.38
USC011	103.0	107.0	4.0	3.03
USC013	32.0	38.0	6.0	1.56
USC013	79.35	88.0	8.6	2.08
USC013	125.0	128.5	3.5	0.86
USC018	106.98	119.79	12.8	1.00
USC021	18.9	30.78	11.9	1.61
USC021	35.05	40.54	5.5	1.19
USRC_03	28.96	32.0	3.0	0.60
USRC_04	10.67	13.72	3.1	0.85
USRC_06	28.96	38.1	9.1	1.09
USRC_07	24.38	29.87	5.5	4.94
USRC_22	24.38	30.48	6.1	10.61
USRC_38	9.14	12.19	3.1	0.60
USRC_39	57.91	60.96	3.1	0.76
USRC_40	6.1	9.14	3.0	0.95
USRC_40	48.77	51.82	3.1	1.05

Midas' drill program is designed to follow-up on those targets that are considered indicative of high-grade Pogo style gold mineralization. These targets are characterised by an association between gold, bismuth and tellurium; proximity to granitic intrusions, and the presence of major faults and structures that are potentially favourable hosts for mineralisation.

The Drill Program

Up to 16 drill holes to a depth of 150m are planned and these are shown on the attached figure. The drilling is mainly in the southeast of the property, where Pogo type geochemical anomalies are present and shallow granite intrusions are indicated by magnetic imagery and also confirmed by the Kennecott drilling.

The permitting, logistics and overall conduct of the drilling program are being managed by highly experienced Alaskan exploration consultants: Avalon Development Corporation under the supervision of Midas' recently appointed Exploration Manager Peter Ruzicka.

The drilling program is being conducted in late winter so that the tracked drill rig and equipment can move over the snow-pack with minimal or no impact on the soil and vegetation. While some Alaskan exploration projects suffer from poor access, the Uncle Sam property is readily accessible all year round as it is located 90km southeast of Fairbanks and only 10km off a major highway.

Future Work

A follow-up diamond drilling program can be carried out in summer, subject to equipment availability. It is also planned to extend the geochemical sampling grid in summer, as only 25% of the prospective area has been covered by soil geochemistry. Additional gold targets remain to be followed up in the north of the property in a separate program.

Timing of Results

Drilling will be completed by mid April but samples will be shipped out regularly during the program. The Company is advised that a significant back-log of samples in North American laboratories could delay turnaround of assay results until May.

PROGRESS ON OTHER PROJECTS

Australia

The Company is vigorously pursuing ways of bringing its 100% owned *Fortitude deposit* in Western Australia into development and in Queensland a follow-up program of soil and rock-chip sampling is planned for **Ukalunda** property and the attractive *Mahalla Creek* epithermal gold target at Connors Range in the June quarter.

China

Subject to the execution of formal documentation a sampling program is planned in the June quarter for the 600 km² *Shimian gold and base metal project* area in Sichuan province and for the 79 km² *Dali nickel sulphide project* in Yunnan Province where Norilsk-type nickel/copper/PGM deposits are the target. Follow-up programs are planned for both areas later in the year.

COMMENT

The Company is now able to move ahead on a number of fronts simultaneously.

While Alaska has not previously been the focus of exploration attention by Australian junior explorers, it has a strong mining culture and is considered to have outstanding mineral potential.

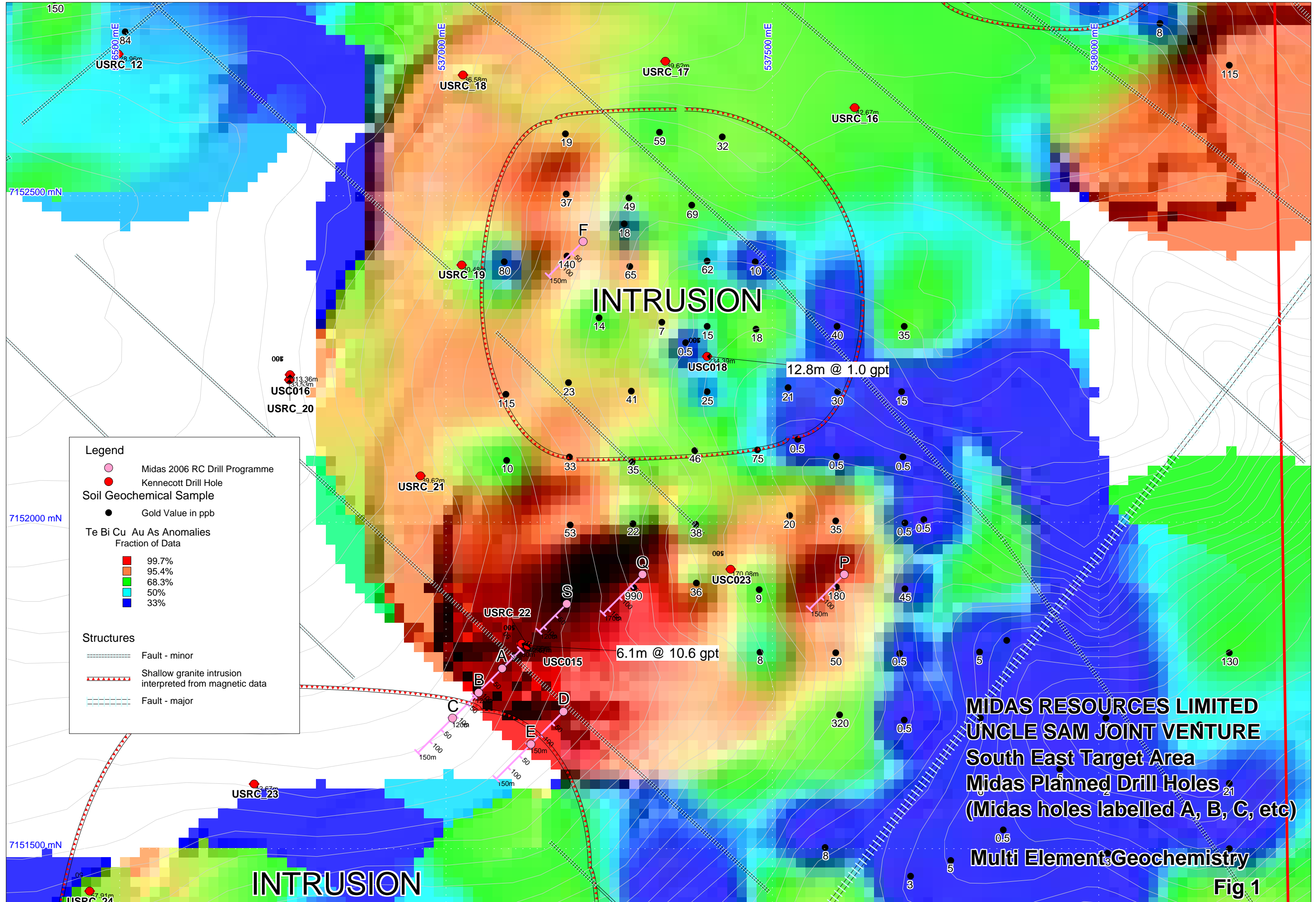
The opportunity to identify a substantial high-grade Pogo-style deposit is seen as being particularly attractive and is consistent with the Company's strategy of focusing on large mineralized systems with the potential for hosting world class deposits. The Uncle Sam project area has good access and the Company is planning to follow-up the current drilling program with a summer program of soil sampling and further drilling (depending on rig availability).

Yours faithfully



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.



Legend

- Midas 2006 RC Drill Programme
- Kennecott Drill Hole
- Soil Geochemical Sample
- Gold Value in ppb

Te Bi Cu Au As Anomalies Fraction of Data

- 99.7%
- 95.4%
- 68.3%
- 50%
- 33%

Structures

- Fault - minor
- - - - - Shallow granite intrusion interpreted from magnetic data
- Fault - major

**MIDAS RESOURCES LIMITED
UNCLE SAM JOINT VENTURE
South East Target Area
Midas Planned Drill Holes
(Midas holes labelled A, B, C, etc)
Multi Element Geochemistry
Fig 1**