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ASX RELEASE

MIDAS APPLIES FOR TENEMENTS IN THE PATERSON PROVINCE, WA

Highlights

- Midas has applied for two Exploration Licences totalling approx. 200km² in the highly mineralised Paterson Province, Western Australia.
- Potential recognised for base metals, gold and uranium mineralisation.
- Tenements relatively unexplored - considering strategic location between Kintyre (Uranium), Nifty (copper) and Telfer (gold-copper).

Midas Resources Limited (ASX:MDS) (“Midas” or “the Company”) is pleased to advise that it is the priority applicant for Exploration licences E45/3467 (42 sub-blocks) and E45/3468 (25 sub-blocks) in the Paterson Province, Western Australia covering important sections of the stratigraphy that hosts significant base metal deposits at Nifty and Maroochydore. Potential is also recognised in the district for uranium deposits of the Alligator River type (e.g. Kintyre) and gold-copper mineralisation (Telfer type).

Background

The Company has applied for two Exploration Licences (fig 1) covering key sections of the middle Proterozoic Yeneena Basin sediments in the Paterson Province, Western Australia. The Yeneena Basin includes the Broadhurst Formation, which is a sequence of metal rich carbonaceous shales deposited in localised “sag” basins adjacent to a Proterozoic continental margin. Geophysical techniques are effective in targeting the metal-rich Broadhurst sediments. The Nifty copper deposit and the Maroochydore Pb-Zn deposit occur in Yeneena Basin sediments that strike north westerly through the tenements.

The Telfer Gold Deposit is a world class gold deposit located approximately 35km to the north of the tenements, while the Kintyre uranium deposit is located 30kms to the south east.

Major regional scale faults are considered important conduits for base metal mineralisation in the Paterson Province. Northwest trending duplex faults are the bounding structures to the prospective sag basins, as well as acting as the fluid pathways for base metals.

Historical Exploration

The Paterson province has been explored by major companies including Rio Tinto, Western Mining, Normandy Mining and Newmont for at least the last 25 years. The Company is



conducting a review of historical exploration data relevant to the subject tenements and to-date has not found evidence of significant drilling within the tenements. In the 1990's Normandy Mining carried out a comprehensive exploration program in the ground immediately west of the tenements and drilled a number of geophysical and geochemical targets in the Broadhurst Formation. Although extensive low-level base metal mineralisation was encountered, no ore grade intersections were obtained. Of key importance for ongoing exploration is the improvement in geophysical methods over the last decade, including data acquisition and the ability to reprocess the data to obtain useful images and targeting information.

Following granting of the tenements and completion of the historical data review Midas intends to undertake an aggressive exploration programme. The Company is also pro-active concerning future opportunities for base metals, gold and uranium in the Paterson Province.

For and on behalf of the Board of Midas Resources Limited,

G D Balfe
Managing Director/CEO

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Capital Structure

Ordinary Shares (MDS):	226 million
Listed Options 10c (MDSOA):	48.8 million
Listed Options 10c (MDSOB):	50.2 million
Unlisted Options:	4.5 million

The information within this report as it relates to exploration results and geology was compiled by Mr. Geoff Balfe and Mr. Paul Dunbar. Geoff Balfe is a member of the Australasian Institute of Mining and Metallurgy and Paul Dunbar is a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr. Balfe and Mr. Dunbar are full time employees of the Company. Mr. Balfe and Mr. Dunbar have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Balfe and Mr. Dunbar consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

