



June 29 2009

ASX RELEASE

MIDAS TO ACQUIRE PILBARA IRON ORE TENEMENTS

- Midas has entered into a Share Purchase Agreement to acquire Mulga Minerals Pty Ltd a special purpose company that holds iron ore tenements in the Pilbara District.
- Drill targets with potential for BID and CID deposits exist on the tenements.
- The tenements are close to existing or proposed third party infrastructure.
- Mulga Minerals also holds two tenement applications with mineral sands potential adjacent to Image Resources Bidamina Heavy Minerals project in the north Perth basin.
- The consideration for the purchase is 6 million Midas fully paid shares and \$75,000 in cash, subject to Due Diligence.
- Following signing of the Sale and Purchase agreement Midas has an exclusive period of three months to carry out Due Diligence after which it must either complete the transaction or withdraw.

Midas Resources Limited (ASX:MDS) (“Midas” or “the Company”) is pleased to report that it has entered into a conditional Sale and Purchase Agreement to acquire Mulga Minerals Pty Ltd (“Mulga”) from the D B Family trust in a Related Party transaction. The D B Family trust is an entity controlled by Midas’ Chairman Don Boyer. The transaction is subject to the conditions of ASX listing rule 10.

THE IRON ORE TENEMENTS

The tenement package consists of seven tenements and four separate project areas (fig 1):

Project	Tenement	Status	Area (km²)
Marandoo	E47/1885	Granted	6
West Angelas	E47/1986	Applied for	9
West Pilbara	E47/1893	Applied for	48
	E08/1997	Applied for	42
Yandicoogina	E47/1901	Applied for	3
	E47/1902	Applied for	18
	E47/1958	Applied for	3
Red Hill	E08/2010	Applied for	15
Total			144

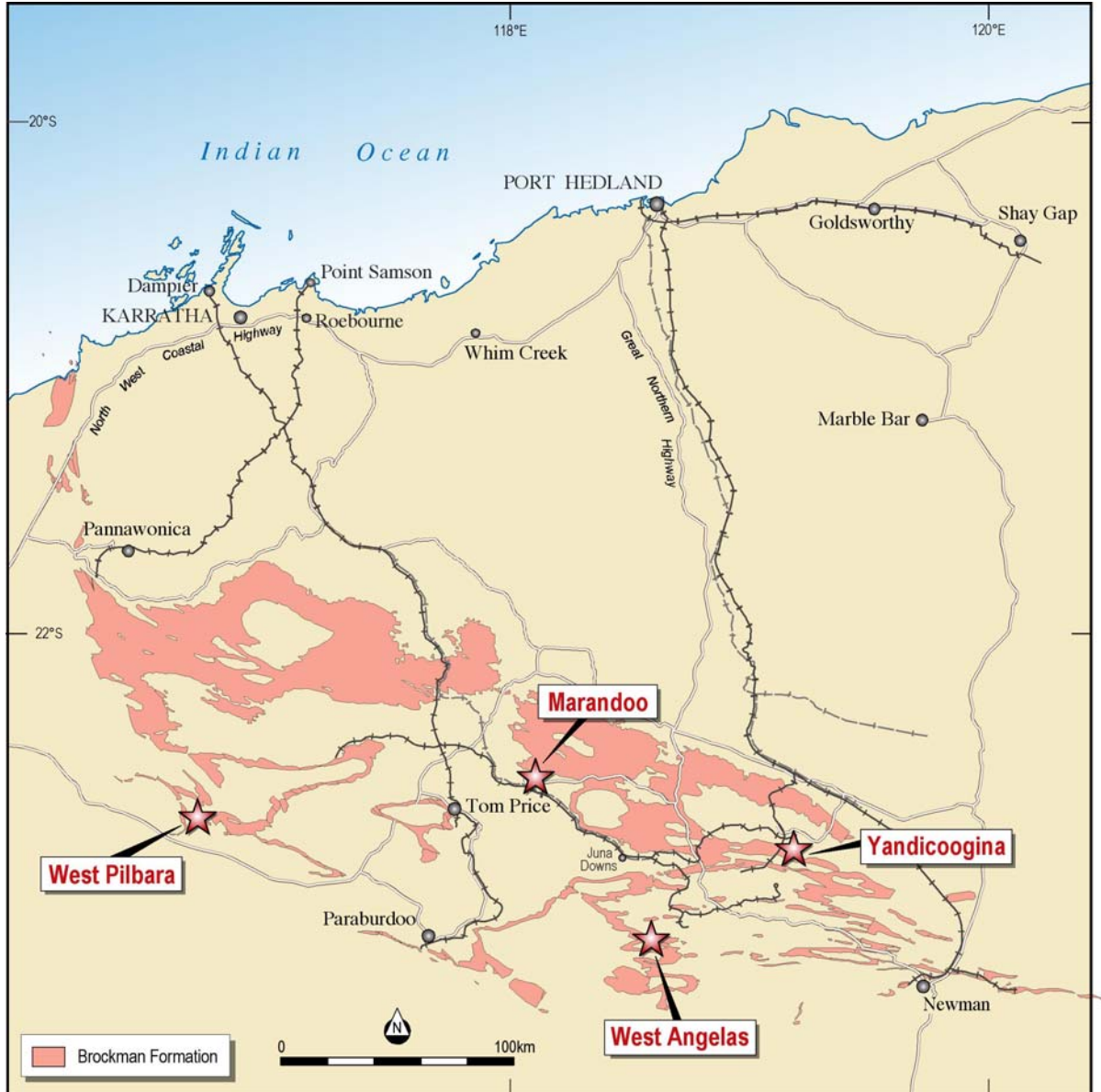


Fig 1. Location of Iron Ore Projects

Marandoo

E47/1885 was granted on 20/5/2009 and it is located 35km NE of Tom Price township and 14km NW of Marandoo minesite. The tenement contains an extensive sequence of the Brockman Iron Formation, the main source of primary and secondary iron deposits in the Pilbara. Mapping by previous companies working in the area has identified occurrences of surficial and detrital iron ore mineralisation known as canga type mineralisation as well as



supergene martite-goethite mineralisation (BID's) within the tenement. (fig 2), (see glossary for definition of terms) The objective of Midas' Due Diligence program will be to confirm and then sample these occurrences and to select targets for drilling.

The Marandoo tenement is located 4 kms south of the Mt Stevenson BID, which is located in a former Temporary Reserve held by Hamersley Iron Pty Ltd and is now within Karijini National Park. The targets identified by Mulga are in similar geology to Mt Stevenson. No drilling has been reported on those targets within E47/1885.

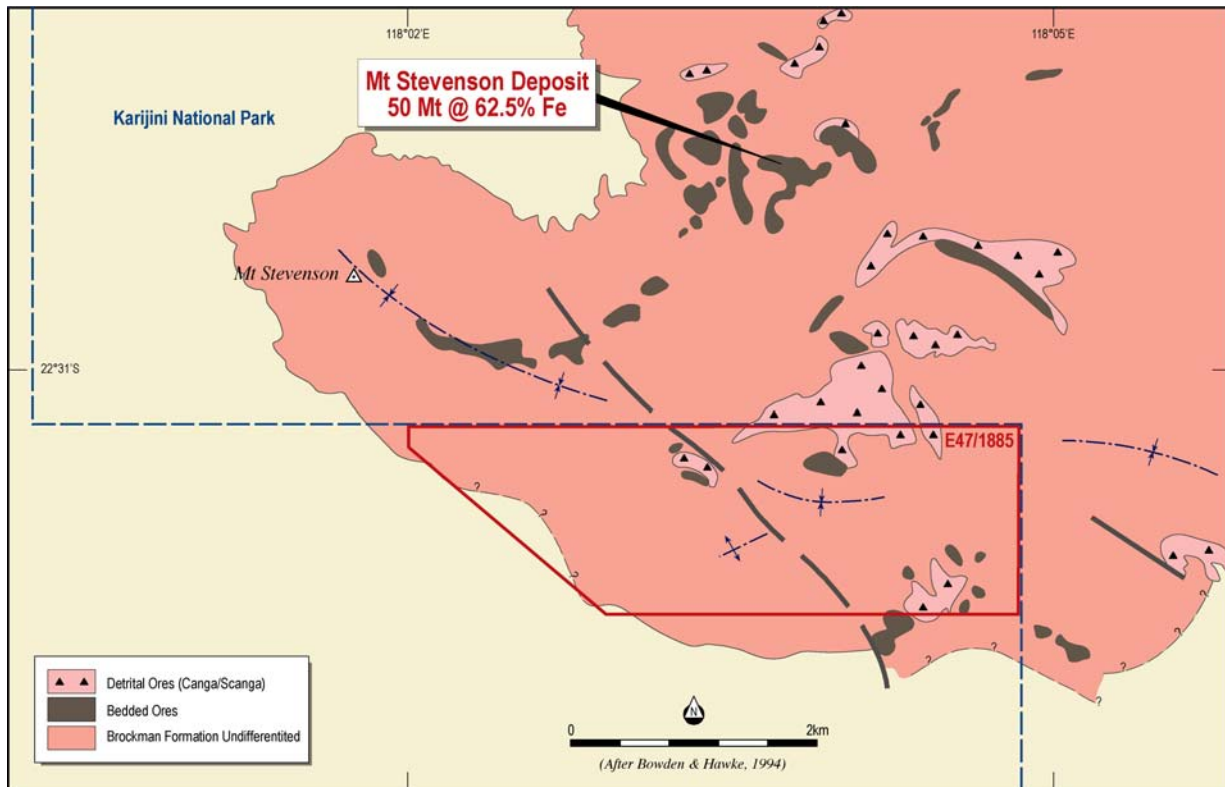


Fig 2. Marandoo Exploration Targets

West Pilbara

E47/1893 and EL08/1997 (fig 3) are located 110km west of Tom Price township. E08/1997 is within 10km of the Nanutarra-Wittenoom road and it is in close proximity to other iron ore deposits including Metawandy (Rio Tinto) and Anthiby Well (Giralia). The Iron Ore targets already identified in the subject tenements include Robe Pisolite Mesas (CID's) and potential BID's in the Brockman Iron Formation.

No previous drilling has been carried out on the identified targets and, subject to Due Diligence and granting, these tenements present quality drill targets with potential for early resource definition.

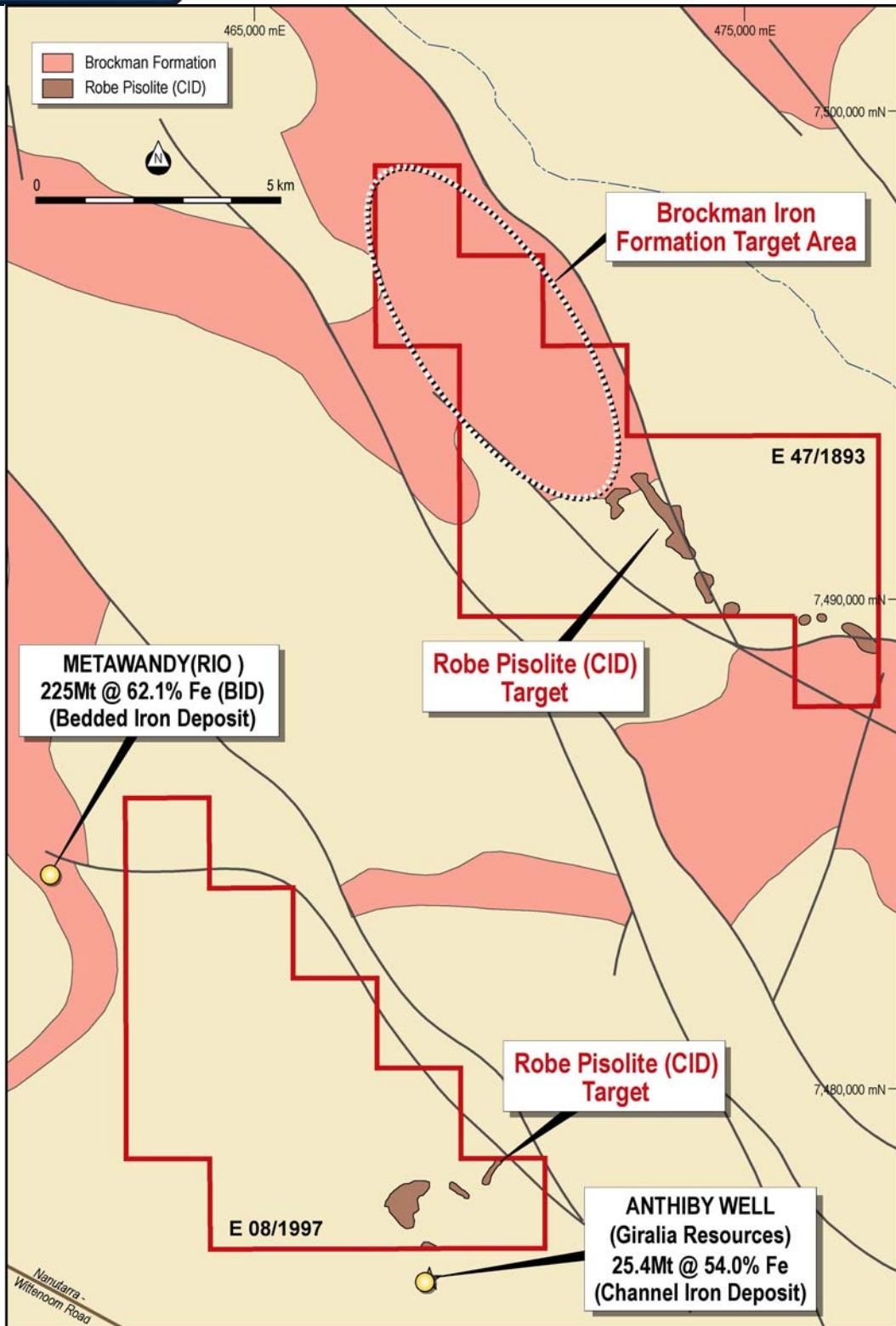


Fig 3. West Pilbara Exploration Targets



Yandicoogina

The project comprises three tenement applications; E47/1901, E47/1902 and E47/1958 and it is located 85km NW of Mt Newman township and 7 km south of the Yandicoogina minesite. The tenements are considered to have potential for several unmapped palaeo-drainage systems with potential to host CID type deposits. Reconnaissance drilling would be required to test this potential. The tenement application for E47/1902 has gone to a ballot and Mulga is second in line for this tenement.

West Angelas

E47/1886 is located 12 km south west of Robe River Iron's West Angelas minesite. The tenement is largely covered by transported material but contains outcrops of Brockman Iron Formation and Marra Mamba Formation. Potential is seen for BID and canga type deposits associated with the Brockman Iron Formation, and supergene enriched haematite-goethite deposits associated with the Marra Mamba formation. There is no record of previous drilling in E47/1886. Initial exploration, subject to Due Diligence and granting, would involve reconnaissance sampling, mapping and drilling.

Red Hill

Mulga has applied for E08/2010 covering 15 sub-blocks to the west of Dynasty Metal's Red Hill CID prospect area. The application covers a known palaeo-drainage system which at Red Hill hosts Robe River pisolite style mineralisation. There are two other applicants for this ground so the result will be determined by ballot.

Bidamina Mineral Sands

Mulga also has tenement applications in the northern Perth Basin for minerals sands. E70/3529 and E70/3639 cover the interpreted extension of known strandlines in proximity to Image Resources' Bidamina South deposit. Assessment during Due Diligence is planned.

THE SHARE PURCHASE AGREEMENT

Under a conditional Share Purchase agreement signed between the D B Family Trust and Midas on 29 June 2009, Midas has the exclusive right to carry out Due Diligence on Mulga and the subject tenements and to make an election within 90 days of signing the agreement to complete the acquisition of Mulga Minerals Pty Ltd. The consideration for the transaction is six million Midas shares on settlement and \$75,000 in cash paid within six months of settlement.

The transaction involves related parties and it will therefore be subject to shareholder approval at a meeting to be held within 45 days of the completion of Due Diligence.

OUTLOOK AND STRATEGY

Acquisition of Mulga and its Pilbara Iron Ore tenements provides Midas with a range of Iron Ore targets in an area well serviced with infrastructure but with significant challenges in



getting access to that infrastructure. The Company has recognised the potential to work with other companies that have undeveloped Iron Ore Resources in proximity to the Mulga tenements, particularly in West Pilbara, and Midas will cooperate with other companies for the joint development of infrastructure.

Midas Resources is an exploration and development company based in Perth, Western Australia. Midas has a 100% interest in the advanced Fortitude gold project at Lake Carey where AngloGold Ashanti is carrying out a mining study to determine the feasibility of development of the Fortitude gold deposit.

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

G D Balfe
Managing Director/CEO

Investor Information

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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, geology and mineral resources 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.

References to Exploration Targets and Potential are conceptual in the context of this report and it is uncertain if exploration will result in a Mineral Resource being defined in the tenements. There is no certainty that all of the tenements applied for will eventually be granted to Mulga.



GLOSSARY OF TERMS

BID	Bedded Iron Deposit	A deposit of iron ore resulting from the upgrading of primary BIF by secondary processes that result in haematite rich ores typically >60% Fe, e.g. Mt Whaleback and Mt Tom Price (WA), Carajas (Brazil).
BIF	Banded Iron Formation	A sedimentary rock typically 35% Fe, consisting of alternating bands of silica, shale, haematite, magnetite and goethite minerals. The precursor rock to Iron Ore deposits. In the Hamersley Ranges the major BIF units are the Brockman Iron Fmn and The Mara Mamba Iron Fmn.
CID	Channel Iron deposit	Erosion of upland areas containing BIF and BID can result in the accumulation of cemented pisolitic Fe minerals in the alluvial drainage systems; subsequent uplift and erosion in the Pilbara has transformed some of these deposits into prominent Mesas. These deposits are typically 57% – 59% Fe and are low in phosphorous; e.g. Robe River Pisolite.
Canga		A detrital deposit of iron ore typically 40% – 55% Fe that occurs on the down slope side of BIF and BID; Canga may undergo further secondary enrichment which increases the haematite content; they are easily mineable and often occur adjacent to a BID e.g. at Mt Tom Price.