



27 July, 2009

ASX Announcement

**MIDAS RESOURCES (ASX: MDS) FOURTH QUARTER ACTIVITIES
STATEMENT**

HIGHLIGHTS

- AngloGold Ashanti (Australia) Ltd (“AGA”) has carried out scoping level studies concerning an open pit at Fortitude and AGA is currently reviewing upside exploration potential within the Lake Carey tenements.
- Midas Resources Limited (“Midas” or the “Company”) has recently announced that it has entered into a conditional share purchase agreement with Mulga Minerals Pty Ltd concerning Mulga’s Iron Ore tenements in the Pilbara. The Mulga tenements include a range of Iron Ore targets which are being evaluated by Midas during a three month Due Diligence period.

OPERATIONS SUMMARY

WESTERN AUSTRALIA

Lake Carey Gold Project - Fortitude (M39/709, M39/710, M39/1065) (100% Midas)

The Lake Carey Gold Project is located 100km south of Laverton within the Laverton Tectonic Zone (LTZ), a highly prospective structural corridor which hosts several world class gold deposits including Sunrise Dam (8 Moz Au), Wallaby (7 Moz Au) and Granny Smith (1.8 Moz Au). The previously reported Resource statement for Fortitude at a 0.5 g/t Au lower cut off grade, estimated in accordance with the JORC Code, is given below:

Category	Tonnes (Mt)	Grade (g/t Au)	Metal (ozs Au)
Measured	-	-	-
Indicated	3.05	1.7	164,000
Inferred	6.02	1.6	309,000
Total	9.07	1.6	473,000

During the Quarter AngloGold Ashanti Limited (“AGA”) carried out a scoping level study of the Fortitude deposit that has involved re-wireframing of the gold mineralisation at appropriate cut-off grades, geostatistical analysis and a pit optimisation study. Following the Fortitude study AGA is conducting a review of exploration potential within the Lake Carey tenements with the objective of determining if a focus on exploration targets is warranted.

The current outline of tenements at Lake Carey is shown in Fig 1 below:



Fig 1 Lake Carey Tenement Outline

Sunset Well P37/6898-P37/6907, P37/5551(St Barbara Option)

St Barbara Limited (“SBM”) has an 18 month option to explore the Sunset Well tenements expiring on 14 August 2009. SBM has reported that work in the 6 month period to June 30 2009 has comprised multi-element spectral scanning of a selection of 102 base-of-hole samples.

The spectral scanning unit is designed to measure the composition and abundance of a variety of alteration minerals found in hydrothermal mineralization systems so that alteration patterns around significant gold and base metal deposits can be mapped, and assist in identifying vectors to potential deposits.

The data is still being evaluated against other technical data for the area and SBM is yet to decide on further exploration activity.

IRON ORE EXPLORATION – Mulga Minerals Pty Ltd

The Company announced on 29 June that it had entered into a conditional share purchase agreement with the D B Family Trust to acquire Mulga Minerals Pty Ltd, a company that holds Iron Ore tenements in the Pilbara District Western Australia.

Mulga's Iron Ore tenement package now consists of eight tenements and five separate project areas (fig 1):

Project	Tenement	Status	Area (<i>km²</i>)
Marandoo	E47/1885	Granted	6
West Angelas	E47/1886	Application – First in Ballot	9
West Pilbara	E47/1893	Application – First in Ballot	48
	E08/1997	Application – First in Ballot	42
Yandicoogina	E47/1901	Application – First in Ballot	3
	E47/1902	Application – Second in Ballot	18
	E47/1958	Application – First in Ballot	3
Red Hill	E08/2010	Application – Ballot Undecided	15
<i>Total</i>			144

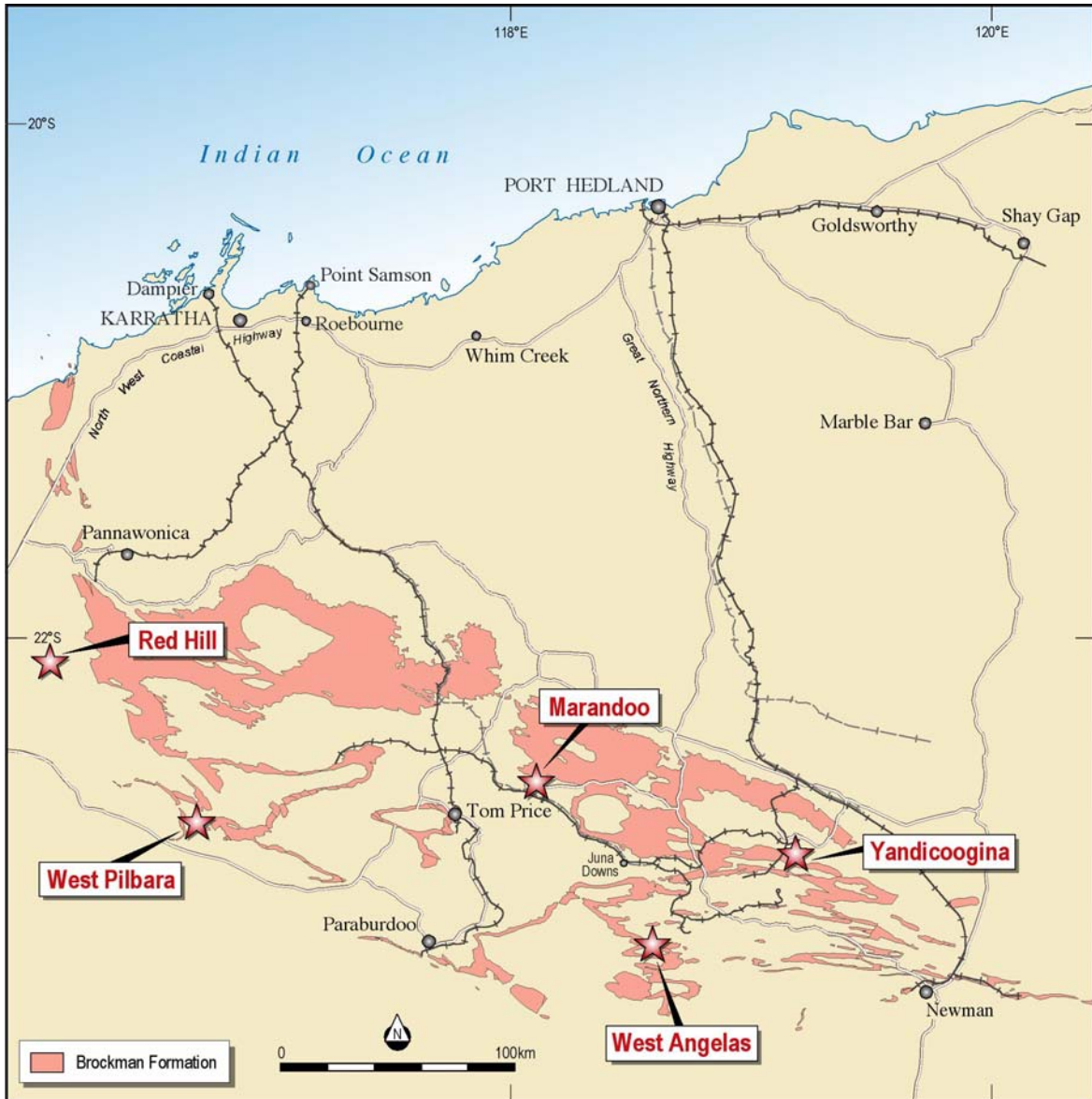


Fig 1. Location of Iron Ore Projects

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). 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.

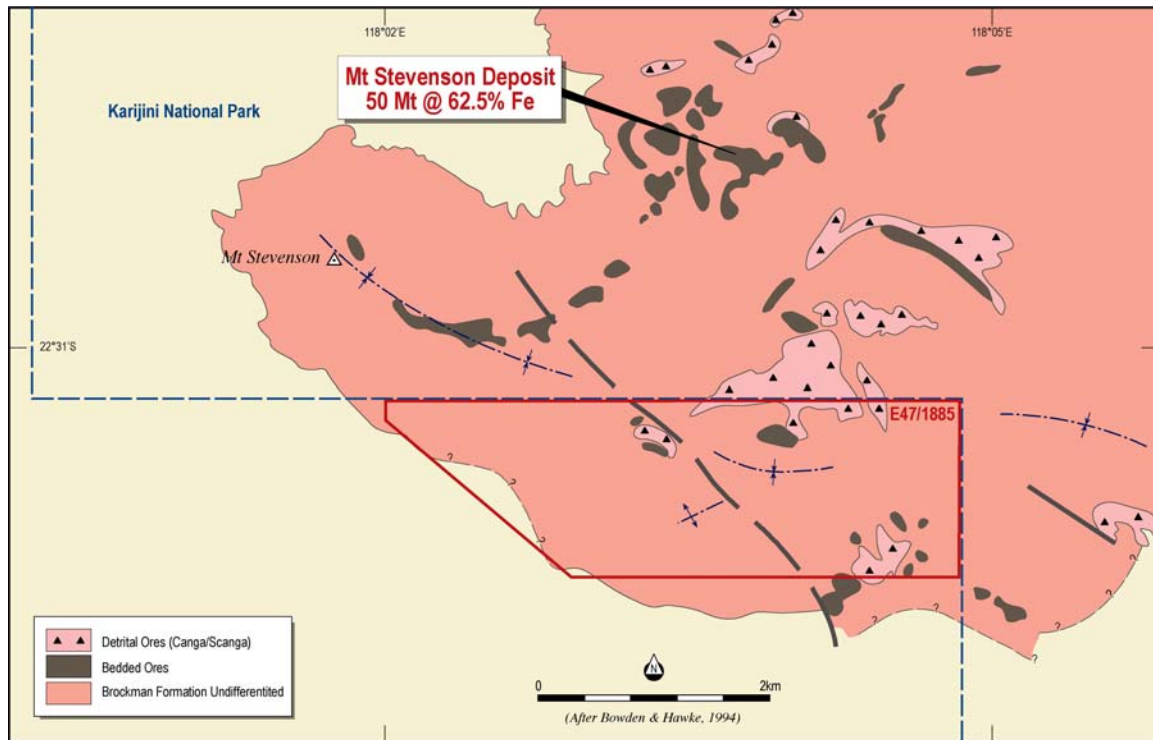


Fig 2. Marandoo Exploration Targets

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.

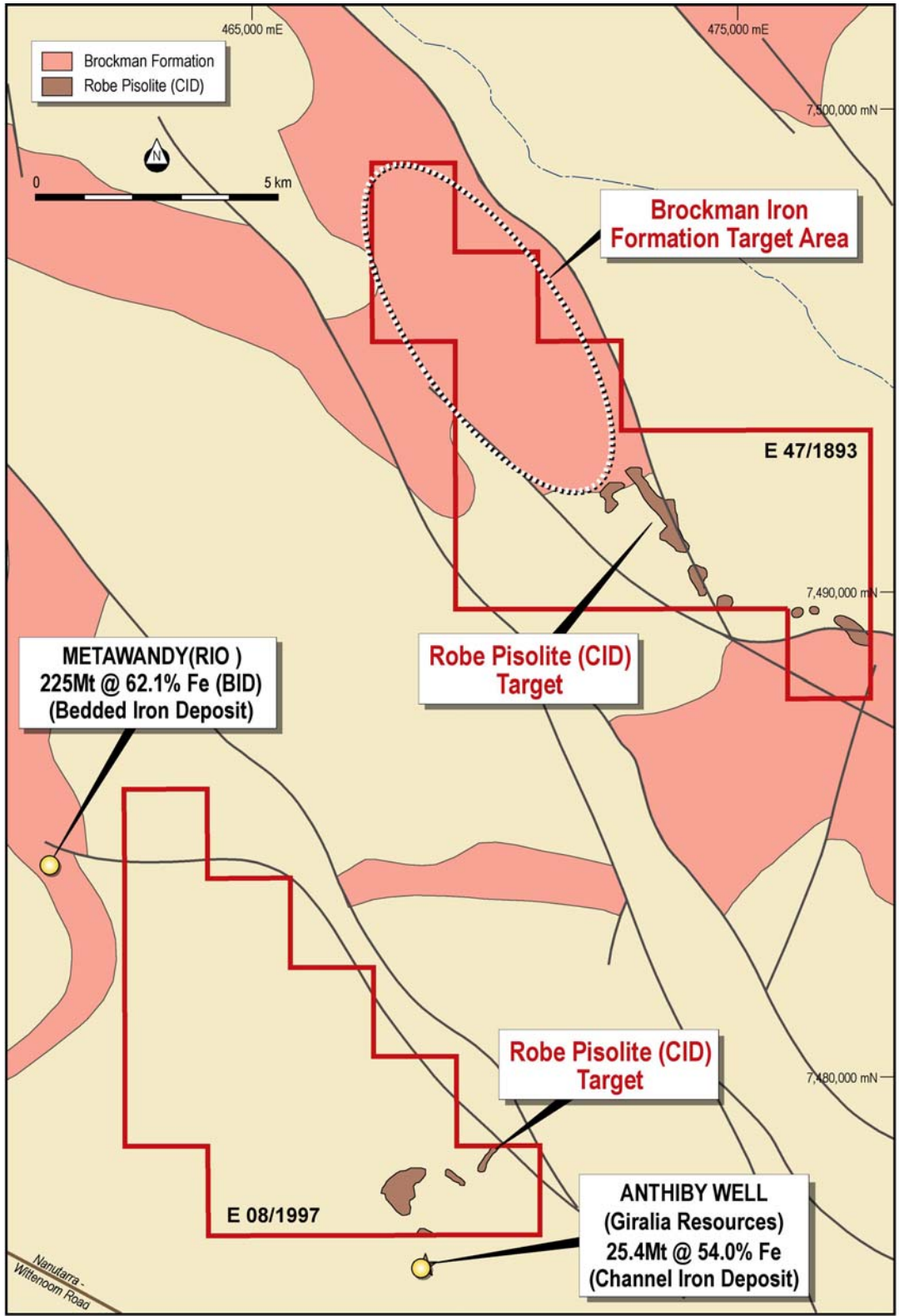


Fig 3. West Pilbara Exploration Targets

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 MULGA 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.

Ukalunda Project EPM11935 UKALUNDA, EPM11088 SUNBEAM, ML/1028, ML/ 1065, ML/1066, ML/1074

All tenements have been relinquished, rehabilitation obligations have been met and environmental bonds returned to Midas.

STRATEGIC OUTLOOK

Directors are hopeful that the work by AngloGold Ashanti will lead to a commercial agreement with Midas for the exploration and development of gold deposits at Lake Carey.

The recent acquisition of rights to Iron Ore tenements in the Pilbara is a significant milestone for the Company with excellent upside if due diligence results in the identification of drill targets. The Company intends to be proactive in the Pilbara regarding other Iron Ore opportunities.

Yours faithfully,

GEOFF BALFE

**Managing Director/CEO
MIDAS RESOURCES LIMITED**

The information within this report as it relates to exploration results and geology and Mineral Resources was compiled by Mr Paul Dunbar who is a member of the Australasian 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.
