



11 September 2006

Dear shareholder,

## Fully Underwritten Renounceable Rights Issue

Midas Resources Limited (Midas) announced to ASX on 7 September 2006 a renounceable rights issue (Rights Issue) to raise approximately \$3.02 million before costs. The Rights Issue offers one new share with one free attaching option for every two shares held on the Record Date (5:00 pm WST on 18 September 2006) at an application price of 6 cents per share. The free attaching options will have an exercise price of 10 cents and expire on 30 September 2009. The Company will apply for the quotation of new shares and options on ASX.

The Rights Issue is fully underwritten by Patersons Securities Limited and Midas has incorporated a top up facility whereby eligible shareholders may apply for additional shares and the free attaching options in excess of their entitlement at the issue price. Additional shares and free attaching options will only be available to the extent that other eligible shareholders do not take up their entitlements.

The funds raised will be used to explore the Company's mineral interests in Australia and Alaska and for working capital.

The Prospectus relating to this Rights Issue has been lodged with ASX and is available on the ASX website [www.asx.com.au](http://www.asx.com.au) and also on the Company's website [www.midasresources.com.au](http://www.midasresources.com.au). The Prospectus containing the Entitlement and Acceptance form will be dispatched to all shareholders registered at the Record Date.

The timetable and important dates of the Rights Issue are set out below:

### Timetable<sup>1</sup>

Lodgement of Prospectus and Appendix 3B with ASX	7 September 2006
Notice of Issue sent to eligible shareholders	11 September 2006
Securities quoted EX-Rights – Rights trading starts	12 September 2006
Record Date	18 September 2006
Dispatch Prospectus and Application Form	19 September 2006
Rights Trading Ends	26 September 2006
Trading commences on a deferred settlement basis	27 September 2006
Closing date for acceptances	4 October 2006
Statements for shares and options dispatched (anticipated)	12 October 2006

<sup>1</sup> These dates are subject to change by Midas in consultation with the Underwriter and ASX.

The Rights Issue is renounceable, which allows shareholders who do not wish to take up all of their entitlement to sell some or all of it.

A total of approximately 50.3 million new shares and 50.3 million new options will be offered to eligible shareholders under the Rights Issue.

Rights to subscribe for new shares are tradeable on ASX from 12 September 2006 until 26 September 2006.

The Rights Issue is to shareholders with registered addresses in Australia and New Zealand only. The Prospectus is sent to shareholders outside Australia and New Zealand for information only. Midas has appointed Patersons Securities Limited to sell entitlements that would have been given to these ineligible overseas shareholders and, if they are sold, the net proceeds will be sent to the holder.

Yours faithfully



**Phillip MacLeod**  
Company Secretary