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Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
Sydney NSW 2000

Dear Sir

SUMMARY OF ANNOUNCEMENT

Commencement of Drilling at the Yundamindera and Deep Well Project Areas and Farm-out of Whiteheads Project.

DETAILS OF ANNOUNCEMENT

The Company wishes to advise that drilling has commenced at the Yundamindera and Deep Well project areas in the Southern Laverton Tectonic Zone in Western Australia.

The Yundamindera project area is considered to have some of the best potential in the SLTZ project area for hosting a multi-million ounce gold deposit as it covers the same broad suite of lithologies that host deposits such as Sunrise dam, Granny Smith and Wallaby. The Claypan fault system, which lies on the western side of the project area, is a major structural feature that has gold mineralisation associated with it and is relatively under-explored. Large parts of the area have been known to be associated with bedrock mineralisation. The Company plans to drill 121 RAB holes for approximately 6,000 metres.

The Deep Well project area is adjacent to where Son's of Gwalia ("SOG") have had considerable exploration success over the last year. In particular, SOG's Deep South resources are adjacent to the Company's Deep 1 drilling target. The Deep 2 drill target lies between two geochemical anomalies on Midas Resources' ground where there is a prominent off-set in the magnetics that indicates a possible mineralised fault. The Company plans to drill 59 RAB drill holes for approximately 2,350 metres.

In addition, the Company has entered into a farm-out joint venture agreement with Quantum resources Limited over its Whiteheads project whereby Quantum are required to spend \$1.2 million on exploration within 4 years to earn an 80% interest.

Quantum can withdraw after spending \$300,000 on exploration. The farm-out of this project continues the Company's strategy of disposing of all projects and tenements outside of the Southern Laverton Tectonic Zone where it is focussing its activities.

Mr David von Perger who is a member of the Australasian Institute of Mining and Metallurgy and has 11 years experience in the industry has reviewed the technical aspects of this announcement.

Yours faithfully

A handwritten signature in black ink that reads "J. I. Gutnick". The signature is written in a cursive, slightly slanted style.

J I GUTNICK
Chairman & Managing Director