MIDAS RESOURCES LIMITED
ABN 87 095 092 158

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2003

MIDAS RESOURCES LIMITED

DIRECTORS' REPORT

The directors present their report together with the financial report of Midas Resources Limited for the half year ended 31 December 2003 and the review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the half year are:

Mr Don Boyer Chairman	Director since 16 November 2000
Mr Terry Streeter	Director since 22 June 2001
Mr Rhod Grivas Managing Director	Director since 16 March 2001

REVIEW OF OPERATIONS

Lake Carey Project

During the half year Midas Resources Limited ("Midas") completed 32 reverse circulation ("RC") drill holes for 4,808 metres and 7 diamond drill ("DD") drillhole tails (extensions to new or existing drill holes) for 662 metres. The programmes were aimed at testing two plunging higher grade shoots, the southern continuity of the projects main lode structure and to complete two stages of a multi-stage infill drilling program on the 478,000 ounce *Fortitude* resource. The infill drilling program has increased the understanding of the ore geometry, particularly the relationship between the higher grade shoots and the lower grade envelope, and will ultimately result in a re-estimation of the resources.

Mineralisation at *Fortitude* has previously been interpreted as being controlled by a regional northwest trending shear zone locally known as the Fortitude Shear. Whilst sporadic high-grade gold intersections have previously been recorded, the identification of at least two dilational jogs within the shear has provided a framework for interpreting higher-grade mineralisation within the mineralised system.

Quartz-carbonate-sulphide (and gold) brittle fracture filling associated with BIF/chert sedimentary units has been identified from RC and DD drilling within the dilational jogs. High grade drill intercepts from drilling completed by previous explorers are now interpreted to be hosted within the two dilational jog envelopes. The dilational jogs appear to be formed at the intersection of the northwest trending Fortitude Shear and subtle north-northeast trending structural corridors.

The testing of the southern lode extensions within the structural corridor has located additional parallel lodes offset to the southwest. These new lodes include high grade gold intersections grading close to one ounce to the tonne being returned from two holes.

Sunset Project

A small RC drilling program totalling 1245m in 12 holes was completed at the Emu Egg South and Portia Prospects, during November 2003.

<u>Emu Egg South prospect</u>

Five holes totalling 500m tested the southern extension of the *Emu Egg* Prospect over a strike length of 250m. Previous wide spaced rotary air blast ("RAB") drilling by Gilt-Edged Mining intersected up to 4m @ 7.0g/t Au with individual assays up to 12.95g/t Au.

The drilling completed by the Company intersected a broad zone of weakly anomalous gold values >100ppb Au one hole.

Portia prospect

A further program of 7 holes for 745m RC was completed on the *Portia* Prospect. Previous RAB and RC drilling by Goldfields and Gilt-Edged Mining had identified anomalous gold over a strike length of at least 600m with holes on 100m line spacing. The best intersection was 4m @ 4.8g/t Au.

The drilling completed by Midas was drilled on the existing 100m spaced sections to follow-up previous anomalous results. The holes generally intersected narrow shear zones with minor quartz veining in a dominantly volcanoclastic unit.

While targets still exist on the Sunset Project, the targets are currently considered lower priority and Midas is currently reviewing divestment opportunities for this project.

Connors Range Project

Six Mile Creek prospect

Midas completed 5 holes for 674 metres to test the 400m long *Six Mile Creek* epithermal vein. Previous drilling had only tested the prospect to a shallow depth, with intersections of up to 3.18g/t Au. Drilling successfully located the main vein with vein widths in excess of 3 metres at a depth of approximately 100 vertical metres. Results were considered anomalous however the tenor of results suggests the average grade of the vein at these depths is in the order of 1g/t Au.

Twin Peaks prospect

Midas completed 4 holes for 419 metres at the *Twin Peaks* prospect. One hole was drilled into "Target A", a geophysical target with coincident magnetic and moderate electrical conductivity. This anomaly is similar to the *Waitara* prospect located 3 km to the northwest, within the Hamilton Park porphyry system. Three holes were drilled into "Target B", an anomaly thought to be associated with a sulphide (pyrrhotite) body.

The Target A composite assay results returned Cu values ranging from 34 ppm to 745 ppm, with most of the higher values (above 250 ppm) coinciding with visible copper sulphide (chalcopyrite) zones. The hole averages 179 ppm Cu over its 175m length, and includes 80m (75-155m) at 252 ppm Cu. The intersection of anomalous copper results at *Twin Peaks* highlight the regional prospectivity of the Hamilton Park porphyry system.

Three holes drilled into Target B failed to locate the source of the intense magnetic low anomaly thought to be associated with a sulphide (pyrrhotite) body. The ground magnetic survey conducted at *Twin Peaks* didn't fully cover the Target B horizon. A more extensive geophysical survey is required to accurately locate the position of the anomaly, prior to RC drilling follow-up.

Signed in accordance with a resolution of the directors:

R Grivas
Director

Perth
Dated 12 March 2004

MIDAS RESOURCES LIMITED

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Note	2003 $
Revenue from ordinary activities		53,892
Expenses from ordinary activities		
Marketing expenses		(23,224)
Exploration expenditure written off		(35,840)
Administrative expenses		(212,862)
Project evaluation		(8,908)
Depreciation		(4,694)
Doubtful debt		(43,537)
Occupancy expenses		(24,154)
Total expenses from ordinary activities		(353,219)
Income tax benefit relation to ordinary activities		-
Net Loss		(299,327)
Basic earnings per share		(0.49) cents

There are no dilutive potential ordinary shares, therefore, diluted EPS has not been calculated or disclosed.

This statement of financial performance is to be read in conjunction with the accompanying notes.

MIDAS RESOURCES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2003

	Note	31 December 2003 $	30 June 2003 $
CURRENT ASSETS			
Cash assets		1,718,189	2,964,673
Receivables		28,278	76,291
TOTAL CURRENT ASSETS		1,746,467	3,040,964
NON CURRENT ASSETS			
Property, plant & equipment		22,645	11,495
Exploration and evaluation expenditure		7,561,817	6,568,719
TOTAL NON CURRENT ASSETS		7,584,462	6,580,214
TOTAL ASSETS		9,330,929	9,621,178
CURRENT LIABILITIES			
Payables		72,087	63,009
TOTAL CURRENT LIABILITIES		72,087	63,009
TOTAL LIABILITIES		72,087	63,009
NET ASSETS		9,258,842	9,558,169
EQUITY			
Contributed equity	2	10,053,337	10,053,337
Reserves		200,000	200,000
Accumulated losses	3	(994,495)	(695,168)
TOTAL EQUITY		9,258,842	9,558,169

This statement of financial position is to be read in conjunction with the accompanying notes.

MIDAS RESOURCES LIMITED

STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	2003
	$
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received	53,892
Cash payments in the course of operations	(255,595)
Net cash used in operating activities	(201,703)
CASH FLOWS FROM INVESTING ACTIVITIES	
Exploration expenditure	(1,028,938)
Payments for purchase of fixed assets	(15,843)
Net cash used in investing activities	(1,044,781)
Net (decrease) in cash held	(1,246,484)
Cash at the beginning of the financial period	2,964,673
Cash at the end of the financial period	1,718,189

This statement of cash flows is to be read in conjunction with the accompanying notes.

MIDAS RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The half year financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This half year financial report is to be read in conjunction with the 30 June 2003 Annual Financial Report and any public announcements by Midas Resources Limited during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2003 Annual Financial Report.

The half year report does not include full note disclosures of the type normally included in an annual financial report.

AASB 1029 "Interim Financial Reporting" is being applied for the first time. The Company did not prepare a half year financial report for the period ended 31 December 2002 and accordingly a comparative statement of financial performance and statement of cash flows has not been disclosed.

	31 December 2003 $	30 June 2003 $
2. CONTRIBUTED EQUITY		
Issued and paid up capital		
61,030,986 (June 2003: 61,030,986) ordinary shares fully paid	10,053,337	10,053,337

2. CONTRIBUTED EQUITY (continued)

Options over ordinary shares

	31 December 2003 No.	30 June 2003 No.
Exercisable at $0.20 each expiring on 1 March 2006, (initial subscription and seed)	10,205,145	10,205,145
Directors incentive options exercisable at $0.20 each expiring 31 December 2005	1,600,000	1,600,000
Retired directors options exercisable at $0.20 each expiring 31 December 2005	300,000	300,000
Managing Director's Performance options		
Series one exercisable at $0.275 expiring 1 Dec 2006	250,000	250,000
Series two exercisable at $0.35 expiring 1 Dec 2006	250,000	250,000
Options issued to seed capitalists in November 2002 issue exercisable at $0.25 expiring 1 Dec 2006	1,686,482	1,686,482
Options issued pursuant to Prospectus exercisable at $0.25 expiring 1 Dec 2006	17,500,000	17,500,000
Options issued to the vendor of the Lake Carey Project exercisable at $0.25 expiring 1 Dec 2006	2,000,000	2,000,000
	33,791,627	33,791,627

3. ACCUMULATED LOSSES

	31 December 2003 $	30 June 2003 $
Balance at beginning of period	(695,168)	(404,454)
Net loss for the year	(299,327)	(290,714)
Accumulated losses at end of period	(994,495)	(695,168)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2003

4. SEGMENT INFORMATION

The Company operates predominantly in one business segment, being mining and exploration and in one geographical segment being Australia.

5. CONTINGENT LIABILITIES

There are no material changes in contingent liabilities from that disclosed in the 30 June 2003 financial report.

MIDAS RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Midas Resources Limited ("the Company"):

a) the financial statements and notes, set out on pages 4 to 9, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Company as at 31 December 2003 and of its performance, as represented by the results of its operations and its cash flows for the half year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

R Grivas
Director

Perth

Dated 12 March 2004

KPMG

Independent review report to the members of Midas Resources NL

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Midas Resources NL ("the Company"), for the half-year ended 31 December 2003.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to:

- enquiries of company personnel; and
- analytical procedures applied to the financial data.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

A review cannot guarantee that all material misstatements have been detected.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the half-year financial report of Midas Resources NL is not in accordance with:

a) the Corporations Act 2001, including:

   i. giving a true and fair view of the Company's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and

   ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

KPMG

KPMG

T R HART
Partner

Perth
12 March 2004