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AUSTRALIAN STOCK EXCHANGE LIMITED

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Dear Sirs

INFORMATION RELEASE

HIGHER GRADE RESOURCE ESTIMATE & EXPLORATION UPDATE

HIGHLIGHTS

Fortitude

- A revised resource model using a 1g/t gold lower cut off grade has successfully identified a substantial core of **higher grade** resource ounces within the previously reported lower grade global resource estimate.

- This higher grade model comprises Combined Mineral Resources totalling 3.2 million tonnes grading 2.9 g/t gold for approximately 296,000 contained ounces. Significantly the average grade of this model is 45% higher than the global resource previously reported. The pit optimisation study is based on this updated resource.

- 2,000m RC drilling program is planned for January to determine the strike extent, continuity and overall width of the recently identified high grade zone at the southern end of the Fortitude deposit.

Acquisition Strategy

- Midas is aggressively pursuing a strategic acquisition strategy, particularly in the vicinity of its Lake Carey project in the Laverton region of Western Australia.

Connors Range

- Ground geophysical survey planned for January to define porphyry and epithermal gold targets at the 51% owned Connors Range project in Queensland, prior to drilling.

LAKE CAREY PROJECT

Higher Grade Resource Model

To facilitate an updated pit optimisation study to evaluate the open pit potential for higher grade mineralisation treatable in a conventional CIL plant, the Company has completed a revision of the Fortitude resource model announced on 11 November 2004, focusing on the identification of a core zone of higher grade resource ounces within the overall global gold resource. This higher grade resource model cannot be directly compared with the previous estimate due to changes in the geologic model used. In the latest case the application of a fixed 1g/t grade cut off to determine the resource zone outline (wireframe model) has successfully identified a substantial higher grade central zone within the overall lower grade global resource, and this wireframe model will form the basis of the pit optimisation. The previous resource estimate adopted a wireframe model based on variable grade cutoffs.

The result is a significantly enhanced average resource grade – an increase of 45% over the 2.0 g/t average grade of the earlier global model – with 48% of the global resource tonnes and 68% of the global contained ounces falling within the higher grade resource model. The portion of resource in the higher confidence Measured and Indicated categories has increased to 75% in the higher grade resource model, compared to 62% in the earlier global model. A table showing the JORC compliant Mineral Resource based on the 1 g/t wireframe geologic model is presented below.

TOTAL MINERAL RESOURCE SUMMARY – DECEMBER 2004
1 G/T WIREFRAME MODEL

	Tonnes	Grade*	Ounces
Measured	672,000	2.7	58,680
Indicated	1,787,000	2.9	163,168
Inferred	741,000	3.1	73,949
Total	3,199,000	2.9	295,694

*Kriged gold from cut composites

It is anticipated that the updated pit optimisation study will be completed in December. This study will focus on delineating open pit resources amenable to conventional CIL treatment and will adopt current industry operating costs. There has been a significant increase in mine operating costs since Aurora Gold completed the Fortitude pit optimisation study in 2002.

The assessment of potential additional cash flow from any heap or dump leach treatment of lower grade in-pit resources will not be covered by the current pit optimisation work and will require a separate study.

Midas Estimation Procedures

The drill information used in the resource estimation is based on 120 RC drill holes (18,998m), 14 diamond drill holes (4770m) and 319 Aircore drill holes (19,972m).

The Mineral Resources have been calculated by Black Stump Computing Group using a database provided by Midas Resources. The geologic model was constrained by wire-framing at a 1.0 g/t Au cut off grade for oxide, transitional and primary zone lodes. Only samples from the same geologic domain were used to estimate grade within that domain. The estimation method used was ordinary kriging. All grade interpolations used an ellipsoidal search pattern with search distances estimated by variography. High grades were cut to 20g/t for the F Lodes, 15g/t for the M Lode and S10 Lodes and 3g/t for the S500 Lode.

Measured resources are classified as those blocks within 10m of at least 4 drill sample composites and above 200 m depth, while Indicated resources are more than 10m and less than 40m from the nearest drill samples. The remainder of the resources are classified as Inferred.

Design Pit/Pre Feasibility Study

The Whittle generated optimised pit will be subject to a pit design using updated costs data where those costs can be obtained from suitable mining contractors. Processing costs will be indicative only. The financial model based on the Design Pit will also be run for sensitivity to gold price and costs. It is expected that this work would be completed in January.

Follow-up Drilling Planned at Fortitude South

A follow-up aircore drilling programme involving 2,000 metres of RC drilling 42 holes for 3500m is planned for the area of high-grade drill results reported by Midas on 27 October 2004. This program replaces the planned shallow aircore drilling program previously advised. The objective of the programme is to determine the strike extent, continuity and overall width of the new mineralized zone.

Strategic Acquisition Strategy

While exploration is progressing in the Fortitude region the Company is continuing to explore growth opportunities within Australia and overseas. The focus in Australia is to evaluate opportunities that have growth synergies with the Company's 100%-owned Lake Carey project, and discussions are being held with several parties.

Midas also recognises the opportunities in such relatively undeveloped resource economies such as China and the Company has taken steps to evaluate several exploration and development opportunities in this area of potential growth. A wholly owned subsidiary company Midas Metals Asia Pty Ltd has been formed to facilitate the pursuit of resource opportunities in China. Other opportunities in the Pacific Rim are also being evaluated.

Connors Range Program (Queensland)

Midas has earned a 51% interest in the tenements from SmartTrans Holdings Ltd and Marlboro Resources Ltd. A geophysical programme is planned in January to better define porphyry and epithermal gold targets prior to drilling.

Yours sincerely,

Geoffrey Balfe
Managing Director

Information contained in this report has been compiled by or reviewed by Geoffrey Balfe who is a Member of the Australian Institute of Mining and Metallurgy and who has sufficient relevant experience in the reported activity.