



28 April, 2006

The Manager  
Australian Stock Exchange Limited ("ASX")  
Company Announcements Office

No Pages: 8

Dear Sir,

**Market Update - Uncle Sam Alaska Drill Results and Shimian Joint  
Venture, P.R. China**

***Highlights***

***ALASKA (Uncle Sam)***

- Gold intersections confirmed in 5 out of the 7 holes successfully completed.
- Drill intersections include 12.2m @ 1.47 g/t and 6.1m @ 1.15 g/t and support the concept that gold mineralization increases in grade towards the intrusive granite contact zone.
- The gold mineralisation is associated with a 40° south dipping shear zone that is interpreted to intersect the granite intrusion at depth.
- The structural setting, host rocks, drill intersections and proximity to the granite intrusion support the target concept of a potentially large, mineralised, intrusive-related gold system at depth.
- Further work is planned that will involve geophysical modeling of the target prior to deeper drilling and drill-testing of other gold targets.

***CHINA (Shimian)***

- A Joint Venture contract of Cooperation has been executed between Midas Mining China Limited (MMCL) and Geological Brigade 405 of Sichuan Province covering a large (~650km<sup>2</sup>) area.
- The first stage exploration program of sampling and evaluation is underway.
- The Joint Venture area has a mining history and is considered highly prospective for precious metals including gold, silver and platinum group metals, carbonate hosted Pb-Zn deposits and copper-gold deposits.

## ALASKA – Uncle Sam Joint Venture

### Background

Seven RC drill holes were completed in April that tested a key target area where previous company drilling had intersected significant gold mineralization viz 6.1m at 10.4 g/t Au from 24.38m. The geological setting, geophysical and structural evidence together with strongly anomalous trace element values (bismuth, tellurium, tungsten, arsenic and copper) were considered indicative of an Intrusive Related Gold system (IRG) such as Fort Knox or Pogo.

The drill program was intended to test 6 separate targets and involve up to 16 drill holes. However, an early spring thaw resulted in deteriorating ground conditions and the program was terminated after seven holes to avoid the drill equipment becoming stuck in boggy ground.

### Results

Results are now available for all seven RC drill holes and are summarized below at a 0.5 g/t cut off grade and shown on the attached figs 1 to 3.

| Hole ID                                                                                          | Coordinates<br>NAD27 Zone 6 |                    | Dip | Az    | EOH<br>Depth<br>(ft) | EOH<br>Depth<br>(m) | Mineralised<br>Interval |              | DH<br>Width<br>(m) | Au g/t       |
|--------------------------------------------------------------------------------------------------|-----------------------------|--------------------|-----|-------|----------------------|---------------------|-------------------------|--------------|--------------------|--------------|
|                                                                                                  | Northing<br>(m)             | Eastin<br>g<br>(m) |     |       |                      |                     | From<br>(m)             | To<br>(m)    |                    |              |
| USR051                                                                                           | 7,151,782                   | 537,085            | -60 | 045   | 60                   | 19.8                |                         |              |                    | NSR          |
| USR052                                                                                           | 7,151,782                   | 537,085            | -70 | 045   | 265                  | 80.8                | 53.4<br>59.5            | 54.9<br>61   | 1.5<br>1.5         | 1.50<br>1.60 |
| USR053                                                                                           | 7,151,772                   | 537,079            | -60 | 225   | 405                  | 123.5               | 106.8                   | 109.8        | 3                  | 1.20         |
| USR054                                                                                           | 7,151,701                   | 537,011            | -90 | Vert. | 580                  | 176.8               | 102.1<br>120.4          | 106.7<br>125 | 4.6<br>4.6         | 0.70<br>0.77 |
| USR055                                                                                           | 7,151,708                   | 537,180            | -90 | Vert. | 381.5                | 116.3               | 51.8                    | 64           | 12.2               | 1.47         |
| USR056                                                                                           | 7,151,660                   | 537,135            | -90 | Vert. | 364.5                | 111.1               | 93                      | 99.1         | 6.1                | 1.15         |
| USR057                                                                                           | 7,151,876                   | 537,186            | -90 | Vert. | 285                  | 86.9                |                         |              |                    | NSR          |
| USR058                                                                                           | 7,151,920                   | 537,301            | -90 | Vert. | 380                  | 115.9               |                         |              |                    | NSR          |
| Au by Fire Assay with AAS determination at IPL Laboratory, Vancouver.                            |                             |                    |     |       |                      |                     |                         |              |                    |              |
| Sample Interval – 5ft (1.52m), Results $\geq 0.5$ g/t Au, Maximum 10ft (3m) of internal dilution |                             |                    |     |       |                      |                     |                         |              |                    |              |
| NSR = No Significant Result                                                                      |                             |                    |     |       |                      |                     |                         |              |                    |              |

### Discussion

A program of RC drilling was completed at the Uncle Sam Project in early April and all assay results for the program have now been returned. Recent results include:

**USR055      12.2m @ 1.47g/t Au from 51.8m depth, and**  
**USR056      6.1m @ 1.15g/t Au from 93m depth**

The program comprised 831m in 8 drill holes (USR051-USR058) with drilling targeting soil auger defined gold and pathfinder anomalous areas, and results of up to 6.1m @ 10.61g/t Au from sparse historic drilling. Geophysical interpretation of magnetic data indicates the presence of at least three prospective granitoid intrusive bodies at depth adjacent to the target areas.

The prime target mineralisation style is the Intrusive Related Gold (IRG) class, with type deposits in the region including the world class, high grade, Pogo (14Moz) vein hosted gold deposit, and the granite hosted Fort Knox (4.4Moz) gold deposit.

The current drilling program has returned gold anomalous results from a zone of quartz stockworked, sericite altered quartz-mica schist accompanied by pyrite-arsenopyrite-stibnite and pyrrhotite sulphide development. The mineralised alteration zone is coincident with a shallow (40 degree) southwest dipping structure which has been intersected in five of the current drill holes. A previous company drill result of 6.1m @ 10.61g/t Au was also hosted by this structure and its associated alteration zone, and it is located up-dip of drill holes USR052-USR054. Alteration and shearing form a cohesive zone which has been intersected over a strike extent of 110m and to a vertical depth of 100m.

Altered but only weakly gold anomalous granite dykes/sills have also been intersected by the drilling and lend support to the geophysical interpretation of larger granite stocks at depth. These smaller intrusives are likely to be marginal manifestations of a more extensive granite stock.

The identified Uncle Sam geological setting of low angle normal kinematic structures within high grade metamorphic rocks (gneiss and amphibolite) situated over and adjacent to domed granite intrusives is typical of metamorphic core complexes which host IRG type deposits. The area has direct similarities to the Fort Knox deposit where a series of low angle structures are mineralised at their intersection with a granite stock. Based on the Fort Knox analogy, future exploration at Uncle Sam would target favourable positions where low angle structures pass through interpreted granite bodies at depth. These positions are currently untested at Uncle Sam.

The mineralised shear zone intersected by the recent drill program at Uncle Sam is coincident with one of several interpreted northwest trending structural lineaments as interpreted from magnetic imagery. Other similarly oriented lineaments are also coincident with geochemical soil auger anomalism to a lesser degree, and could logically be interpreted now as parallel/ stacked mineralised structures.

Better results from the current program in drill holes USR055 and USR056 are from southern-most positions and suggest more prospective vectoring towards the main granite target at depth as described above.

Potential for significant IRG style gold mineralisation is considered to be high given the broad extent of surface geochemical anomalism within the project area and the identification of a favourable geological setting including the presence of mineralised low angle structures and indications of altered granite.

### ***Follow-up Program***

Prior to further drilling it is planned to carry out geophysical modeling of the granite target in order to estimate its shape and depth. Some ground geophysical surveys may also be carried out to provide the additional information to assist drill targeting.

A follow-up summer diamond drilling program is likely to involve up to three drill holes averaging 300m depth. Holes would be designed to test the granite contact zone where it is intersected by the south dipping mineralised structure. The program would be helicopter supported, subject to equipment availability.

A further RC drill program of about 1,200m is still required to complete the preliminary testing of other soil geochemical targets and gold mineralization intersected by other company drilling programs. For operational reasons this program is best carried out under winter conditions.

### ***Sampling and Assay Procedures***

A rigorous QA/QC sample protocol has been implemented involving standards (1:50), blanks (1:25) and duplicates (1:25). The samples are then picked up by Alaska Assay, an independent preparation facility in Fairbanks. Reverse circulation samples are dried, weighed and crushed to more than 70% passing 2 mm. A 250 gram split is cut from the reject and pulverized to greater than 85% passing 75 microns.

Once the samples are prepared the 250-gram pulps are shipped via air to International Plasma Laboratory (IPL) in Vancouver, British Columbia. IPL is an ISO 9001:2000 Certified company. After re-homogenization of the pulps, a 30 gram (1 assay ton) split of each sample is analyzed for gold by fire assay methods (FA-AA).

### ***Joint Venture***

Uncle Sam is a joint venture between wholly owned subsidiaries of Midas Resources Limited (ASX:MDS) and Geoinformatics Exploration Inc ("GEX") (TSX-V:GXL). Midas has the right to earn up to a 75% interest subject to GEX's right to contribute after Midas earns a 51% interest. Kennecott retains a 2% NSR but may exercise a back-in right under certain conditions. There are no state royalties applicable.

## **P.R. CHINA – Shimian Cooperative Joint Venture - Sichuan Province**

### ***Background***

The Company, through its 85% owned subsidiary Midas Mining China Limited (MMCL), has entered into a joint venture contract with Geological Brigade 405 (405) for the exploration of a ~650km<sup>2</sup> area in western Sichuan Province. The selected exploration area is considered by the Company to be highly prospective for precious metals (including platinum group metals), carbonate hosted massive sulphides, and intrusive related Cu-Au deposits. Approximately 70% of the area is free of tenements and the Company has already commenced the first stage exploration program involving stream sediment sampling and prospect evaluation. There are more than 30 known gold prospects within the exploration area which will be included in the evaluation.

### ***Sampling Program***

The joint venture area covers a major tectonic rift on the western margin of the Yangtse Craton. Intense deformation during the Mesozoic period has resulted in the development of a fold-thrust belt with extensive structural preparation of carbonate rocks considered favourable hosts for gold and base metal mineralization. Documented platinum occurrences are associated with layered mafic complexes that have been intruded into the sedimentary package.

The Company is using a proprietary geochemical sampling technique with samples dispatched to Australia for specialized analysis. The first stage sampling is expected to be completed in June to be followed by additional sampling and evaluation, depending on first stage results.

### ***Joint Venture Terms***

Under the joint venture contract signed on March 30, 2006 MMCL will have a 60% contributing interest in any tenements staked or acquired in the joint venture area and Brigade 405 will have a 40% interest. Midas will contribute the first RMB1,008,000 (approx. AUD168,000) and the Brigade will contribute their exploration database valued at RMB672,00. Once the initial contribution has been drawn down, both parties will contribute pro-rata. The contract provides for formation of a special purpose company to be called Sichuan Precious Metals Company Limited in order to hold exploration and mining rights.

The Company considers the relationship with Brigade 405 highly beneficial, with access to the brigade's extensive geological and topographic database and its technical personnel who will assist with land access, permitting, field operations and exploration and development programs.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G Balfe', with a stylized flourish at the end.

Geoff Balfe  
Managing Director CEO  
**MIDAS RESOURCES LIMITED**

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The information within this report as it relates to exploration results, geology and mineral resources was compiled by Mr Peter Ruzicka who is a member of the Australian Institute of Mining and Metallurgy. Mr Ruzicka is a full time employee of the Company. Mr Ruzicka 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 Ruzicka consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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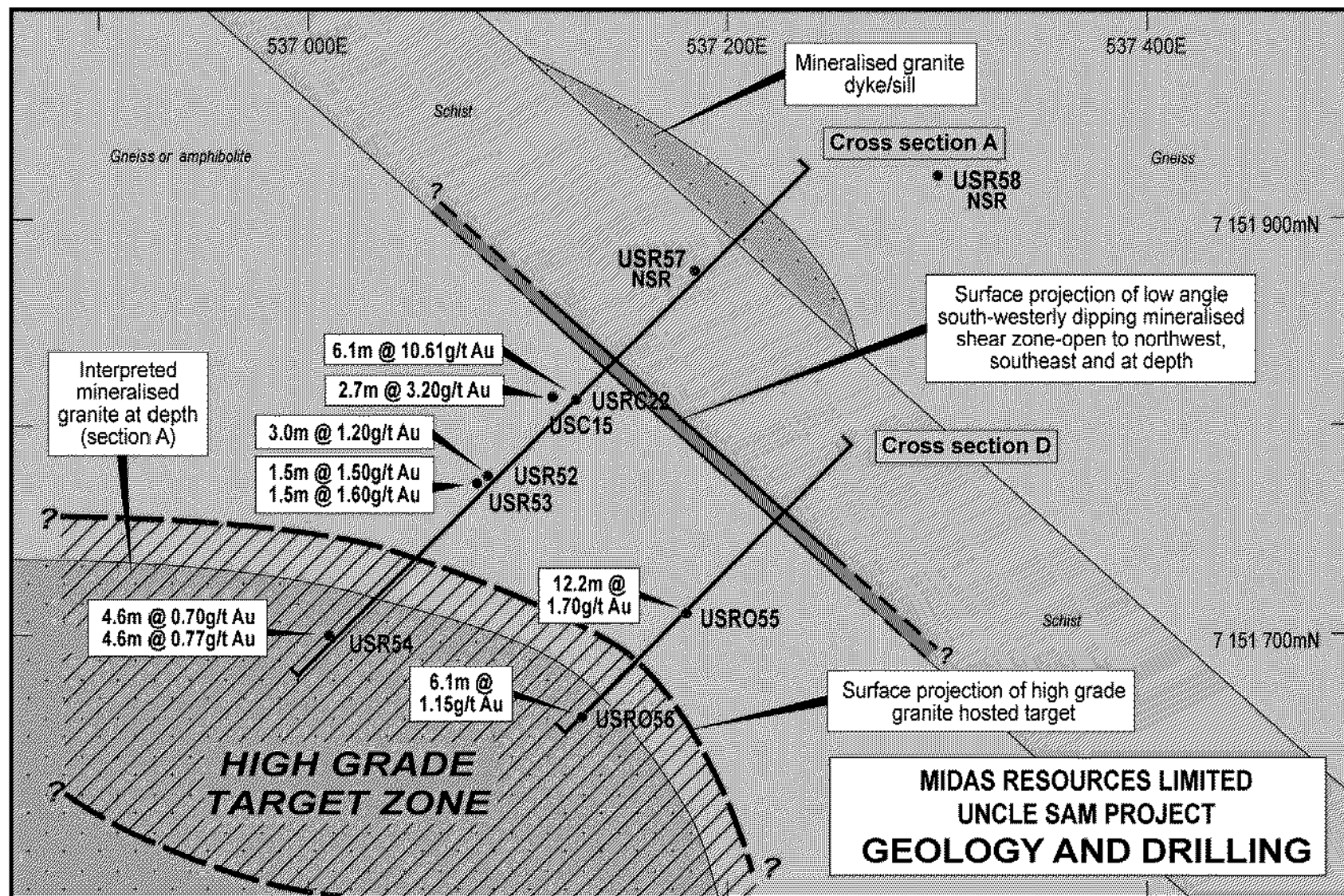


Fig 1



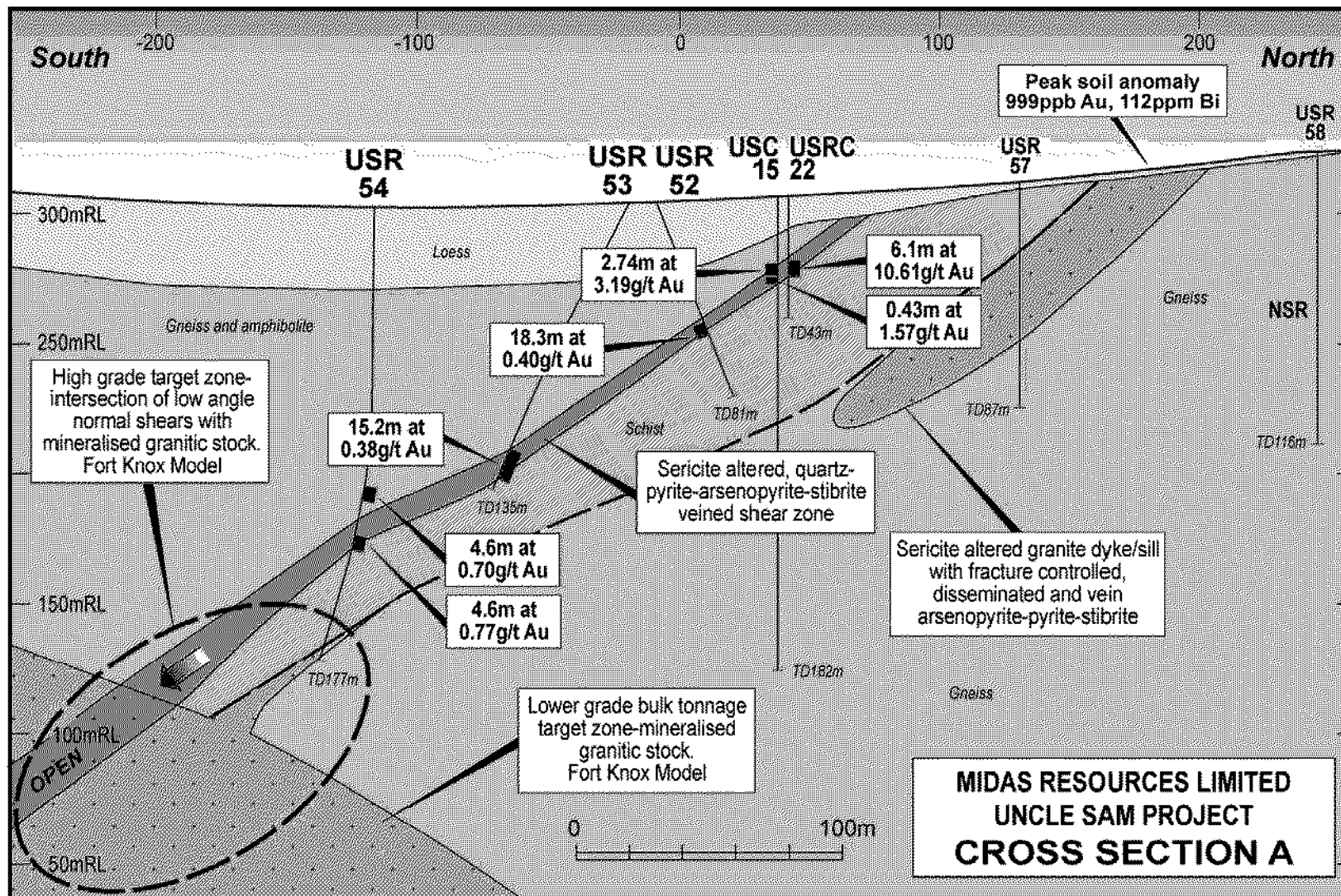


Fig 2

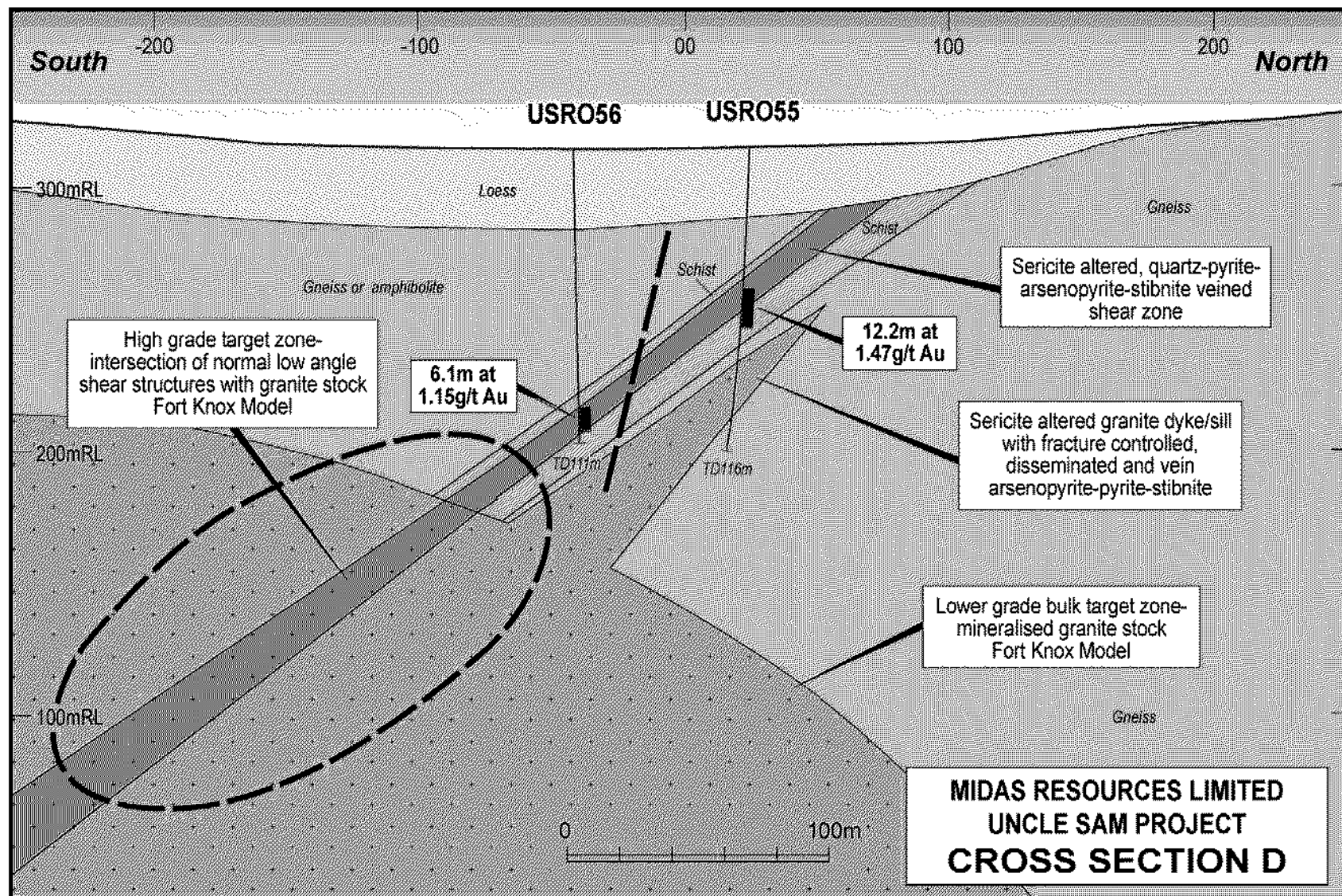


Fig 3