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The Manager

Australian Stock Exchange Limited ("ASX")

Company Announcements Office

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Dear Sir,

EXPLORATION UPDATE

The Company wishes to update investors concerning progress on its exploration projects.

Lake Carey - Fortitude Pre Feasibility (Midas 100%)

The 5,000m RC drill-out of the Fortitude Optimum Pit is nearing completion. Eighty six drill holes for 4,911m have been completed to date and the drill rig has moved to the nearby Bindah property where the first of four 250m deep RC holes is underway.

The first assay results for Fortitude are expected in two weeks time. Assay turnaround has been longer than expected due to a significant backlog of samples in the laboratory.

Based on visual logging of the recent RC drill holes at Fortitude a number of extensions to mineralised structures have been identified which extend beyond the current pit design and therefore it has been decided to extend the drill program by a further 9 holes (800m). These holes will be completed after the Bindah program.

RSG Global has been appointed to assist Midas with the technical analysis of milling and treatment options in the Laverton area and talks with a major mill operator in the Laverton area are well advanced. Arbitrage Consulting Pty Ltd has been appointed as Project Engineers to guide the Feasibility Study.

Following receipt of all drill results the Global Resource and Pit Optimisation study will be updated. The Optimum Pit will be used for further pit design work

Midas has the benefit of the Full Feasibility study previously carried out by Aurora Gold Limited therefore only a limited amount of additional geotechnical work will be required to update the Feasibility study.

A Mining Lease has been applied for over the main Fortitude Resource and it is the objective of the Company to complete a Full Feasibility by June 2007.

Lake Carey – Bindah (Midas 100%)

Located 5kms west of Fortitude the Bindah Mine was last exploited by WMC in the 1980's via an open pit. Previous mining was confined to the oxidised zone as the sulphidic gold-copper ore in the primary zone was metallurgically undesirable at that time. Midas has a four-hole 1,000m RC drill program underway to test the sulphide zone below the open pit including an electrical "off-hole" conductor identified by WMC in drill hole BSDH-01 that was not followed up with additional drilling.

Mahalla Creek Queensland (Midas 100%)

Results were received for the soil sampling program at Mahalla Creek. A series of broad low-order gold in soil anomalies have been detected and some follow-up sampling is planned. However, the tenor of these results does not warrant an immediate drill test.

P.R. China – Dali Nickel Sulphides (Midas 70%)

Joint Venture documentation is proceeding.

P.R.China – Shimian Joint Venture (Midas 60%)

Follow-up sampling has been carried out in the 700km^2 Alliance area and results continue to be encouraging. Three target areas have been defined that are on-strike from known gold workings. Based on these results the Joint Venture is applying for tenements in selected areas.

Yours sincerely,

G D Balfe
Managing Director/CEO

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.
