



ASX RELEASE
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Diamond Drilling Progressing at Da Hong Shan in Xin Jiang Province, China

Highlights:

- Two drill rigs are on the property with FD001 now at a depth of 160m and FD0-02 at a depth of 180m.
- Up to six holes are planned for a total of 2,000m to test the extent of porphyry copper style mineralisation previously indicated in trenches and in seven diamond drill holes drilled by Zijin.
- A geophysics program is also underway.
- The exploration program of diamond drilling, geochemistry and geophysics is being implemented as part of Midas' minimum commitment under Stage One of its agreement with Zijin costing CNY \$1.4 million (Approximately AUD\$230,000).

Midas Resources Limited ("Midas" or "the Company") (**ASX:MDS**), through its 85% owned subsidiary Midas Mining China Limited ("MMCL"), is involved in a cooperation agreement with Zijin Mining North West Co Ltd, a subsidiary of one of China's largest resources companies - Zijin Mining Group Co Ltd ("Zijin") (Hong Kong Stock Code: 2899).

The agreement allows Midas to explore Zijin's highly prospective Da Hong Shan porphyry copper project at the **Tian Shan Belt** of Xinjiang province of Western China. The project comprises three contiguous exploration licences with a total area of 302km². Details of the Cooperation agreement with Zijin were announced to ASX on 21 July 2008.

THE DA HONG SHAN PROJECT

The Project is located in Xinjiang Province in western China about 150km south of Hami city (fig 1).

Copper mineralisation at Da Hong Shan occurs in an east-west belt of accreted Carboniferous rocks intruded by porphyry stocks, sills and dykes that are the host for disseminated porphyry style copper sulphide mineralisation.

Copper oxide mineralisation outcrops at the Fuxing prospect within the Zijin tenements where it was tested by Zijin in a program involving trenching, Induced Polarisation Surveys (IP) and seven diamond drill holes which intersected wide zones of low-grade disseminated copper mineralisation.

This work outlined anomalous copper mineralisation and alteration in exploration trenches over an initial 2.5km strike length.

MMCL has commenced diamond drilling with two drill rigs on the property. FD001 is at a depth of 160m and FD002 is at a depth of 180m. Fresh rock core recovery is 100%. Core samples are being logged and split on site with a diamond saw and samples transported to an ISO certified laboratory near Beijing for analysis. Further information will be provided when the drilling program is more advanced.



ABOUT ZIJIN

Zijin Ming Group Co Ltd. (Zijin) operates six gold mines (including the largest open pit gold operation in China, the Fujian Zijinshan Gold Mine) and is one of the largest gold producers in China (10.4% of China's total gold mine production in 2007). The company is also one of the main non-ferrous metals producers in China. Zijin owns substantial resources and reserves of copper, platinum group metals, nickel, lead, zinc, molybdenum, tin, iron ore and coal and is the third largest copper miner in China. The company has subsidiaries operating in more than 20 provinces across China, as well as in 7 overseas countries. In 2006 the annual revenue of Zijin exceeded CNY10 billion.

ABOUT MIDAS

Midas Resources Limited ("Midas") is an ASX listed resource exploration company based in Perth Western Australia (ASX:MDS/MDSOA/MDSOB). Midas has a significant gold project at Lake Carey in Western Australia and a porphyry copper-molybdenum project at Waitara in Queensland. Active drilling programs have been completed at both of these projects in 2008. The Company is also actively pursuing advanced gold, nickel and base metal acquisition opportunities in Australia and China. Midas has a corporate office in Shenzhen and a regional office near Chengdu in Sichuan Province.

For and on behalf of the Board of Midas Resources Limited,

G D Balfe
Managing Director CEO

The information within this report as it relates to exploration results and geology was compiled by Mr. Geoff Balfe who is a member of the Australian Institute of Mining and Metallurgy. Mr. Balfe is a full time employee of the Company. Mr. Balfe 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. Balfe 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 Location Map



Fig 2 Diamond Drilling at Da Hong Shan