

21 October 2008

ASX Announcement

MIDAS RESOURCES (ASX: MDS) FIRST QUARTER ACTIVITIES STATEMENT

HIGHLIGHTS

- A 2000m diamond drilling program is underway at the Da Hong Shan Porphyry copper prospect in China.
- Sampling of epithermal gold prospects at Waitara in Queensland yields highly encouraging results and a drill target is evident.
- Pre-feasibility work at Fortitude is to focus on lowering mining costs and a review of the resource estimation methods.

OPERATIONS SUMMARY

WESTERN AUSTRALIA

Lake Carey Gold Project (100% Midas)

The Lake Carey Gold Project lies 100km south of Laverton within the Laverton Tectonic Zone (LTZ), a highly prospective structural corridor which hosts several world class gold deposits including Sunrise Dam (8 Moz Au), Wallaby (7 Moz Au) and Granny Smith (1.8 Moz Au).

Fortitude (M39/709, M39/710, M39/1065) Pre-feasibility Work

A number of cash flow models have been developed and these point to reduction of fixed costs as being the key to any development decision. The Company's consultants are investigating innovative mining technology as a means of reducing costs. In parallel with this study work is continuing on the Resource to ensure that the method of estimation is appropriate for possible future mining and treatment methods.

LAKE CAREY - EXPLORATION

Exploration targets were reviewed and prioritised for future drill testing.

Sunrise Dam P37/6898-P37/6907, P37/5551

St Barbara Limited is responsible for maintaining the tenements during the Option period.

CHINA PROJECTS

Midas is exploring for gold and base metals in China through its 85% owned subsidiary Midas Mining China Limited (MMCL). Midas has a corporate office in Shenzhen and a regional office near Chengdu in Sichuan Province. The Company is seeking advanced exploration and acquisition opportunities for nickel, copper and gold projects.

Da Hong Shan Copper Project, Xinjiang Autonomous Region (Cooperation Agreement with Zijin Mining Northwest Limited)

During the Quarter the Company commenced diamond drilling at the Da Hong Shan Porphyry Copper prospect in the Tian Shan Mineral Belt of Xianjiang Autonomous Province, China.

A 2,000m drill program is in progress to test porphyry style copper mineralisation indicated in trenches and in diamond holes previously drilled by Zijin.

The Midas program will involve up to eleven diamond drill holes. Coordinates for the first eight holes are given below and shown on fig 1. All holes are declined at 60° and drilled toward a magnetic azimuth of 019°:

Hole ID	Final Depth	Latitude (WGS84)	Longitude (WGS84)	RL (m)	Status / Comment
FDD001	159.6	42.08613	92.3182	770	Abandoned in Fault Zone
FDD002	267.2	42.08730	92.31869	769	Completed
FDD003	297.00	42.08561	92.32312	768	Completed
FDD004	250.8	42.08379	92.32211	763	Completed
FDD005	99.00	42.08470	92.32262		Abandoned in mineralisation and being re-drilled as FDD009
FDD006	240.45	42.08350	92.32465	*	Completed
FDD007	260	42.08538	92.32552	*	Completed
FDD008	270	42.08457	92.32513	*	Completed

* Information pending

Results

Copper and molybdenum mineralisation occurs in a series of east-west stratabound zones that are controlled by the intrusion of porphyry dykes and sills into andesitic volcanic and tuffaceous rocks. Drilling has confirmed that the stratigraphy and mineralisation dips south at 45° but there are also high-angle porphyry dykes that are altered and mineralised and their distribution is not well understood at present.

A detailed ground magnetic survey completed by Midas shows that the andesitic volcanics are strongly magnetic while the drilling has demonstrated that the porphyry intrusions are associated with magnetite destruction of the host andesite and are therefore magnetic "lows". As a result, the drilling program is focussing on testing magnetic "lows" within the overall package of magnetic andesite rocks.

FDD001 and FDD002 were drilled at the western extent of the system and intersected a thick unmineralised down-faulted cover sequence of conglomerate. FDD003 has intersected low-grade copper mineralisation immediately below an exploration trench. FDD004 and FDD005 tested the central section of the system immediately below copper mineralisation in trenches. FDD005 is mineralised but was abandoned in a fault zone at 99m and is currently being redrilled. FDD004 and FDD006 were not mineralised.

FDD008 is mineralised over the first 100m with visible copper and trace molybdenum sulphides. Selected intervals are being assayed for molybdenum using a different assay technique than copper.

Core from FDD005 and FDD008 is currently being sampled and prepared for assay, with other holes to follow.

Based on the drilling to date it is apparent that there is a central zone of porphyry intrusion that has been intersected by FDD005 and FD008. This mineralised zone is attenuated in an east west direction and is roughly conformable to stratigraphy. The objective of the drill program is to determine the extent and width of the mineralisation which remains open to the east.

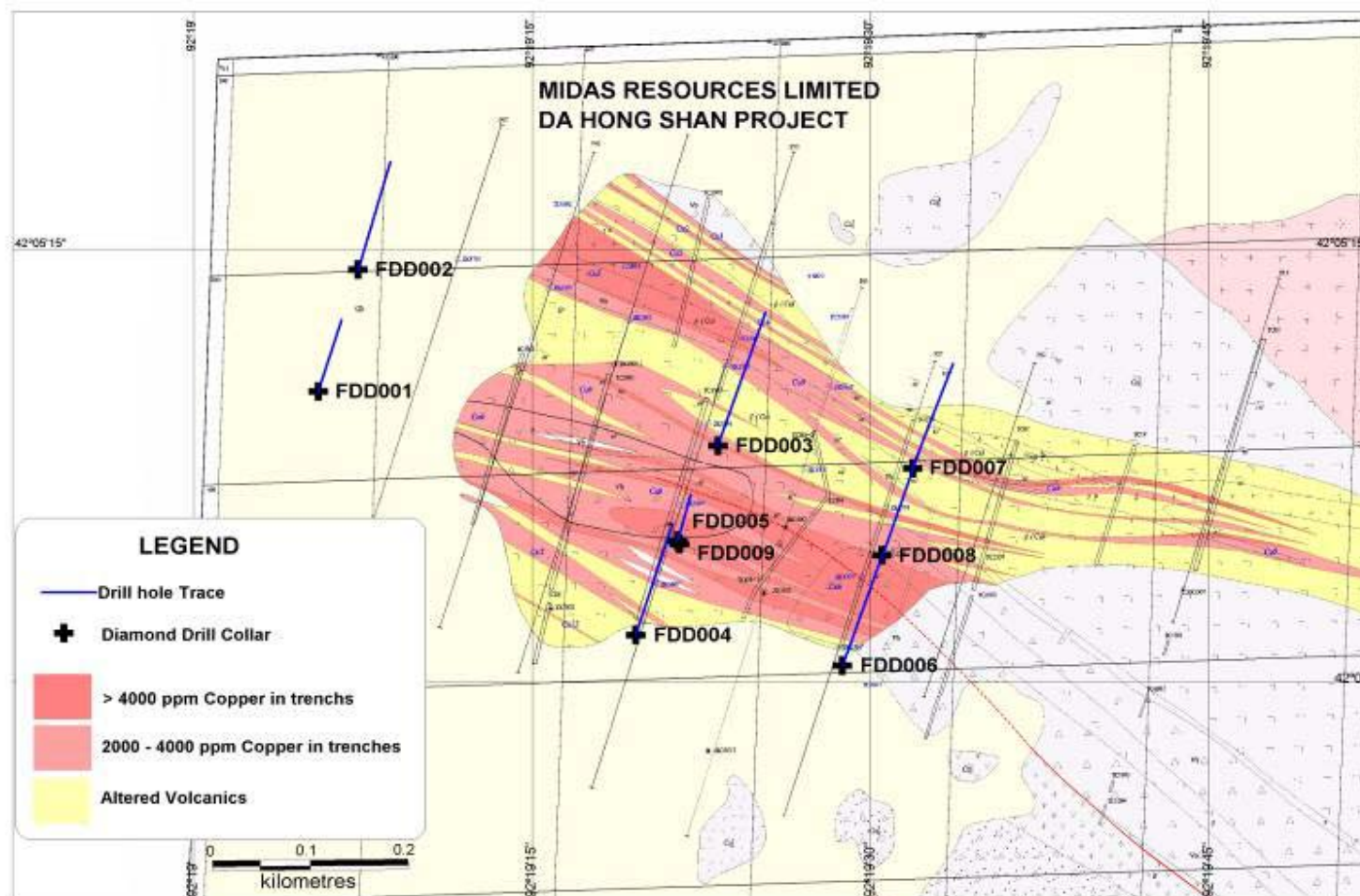


Fig 1

Connors Range JV EPM 11134 “Waitara” and EPM 12361 “Waitara North”

The Connors Range Project is a joint venture with SmartTrans Holdings Limited and Australia Oriental Minerals NL concerning tenements located in the northern Lachlan-New England Fold Belt. The current participating interests in the joint venture are:

Midas Resources Limited (MDS) 76.88%
SmartTrans Holdings Limited (SMA) 13.12%
Australia Oriental Minerals Limited (AOM) 10.00%

SmartTrans and AOM are contributing to joint venture expenditure in 2008 and are maintaining their respective interests.

“Waitara” Porphyry Copper Molybdenum Prospect

Additional sampling was carried out of the drill core from WTDH002 for specialist litho-geochemical studies. The results confirm that Waitara is a typical porphyry copper type system with a late overprint of stockwork molybdenum mineralisation.

Current work is focussing on the extensive anomalous copper geochemistry and several targets are being evaluated for RC drill testing in the next Quarter.

“Waitara North” Epithermal Vein

The epithermal gold prospect that straddles the border of EPM11134 and EPM12361 was visited for reconnaissance and sampling in August. Two target areas have been identified:

1. An east-west zone of intense silicification with cross-cutting quartz veins that extends a total strike length of 900m from EPM11134 into EPM12361. Outcrop of colloform and cryptocrystalline epithermal quartz was observed and sampled.
2. An alluvial terrace to the north east of the E-W trend in EPM12361 was observed to contain large boulders of quartz with epithermal textures (previous sampling by Midas of these boulders has resulted in strongly anomalous gold values).

Thirteen rock chip samples were collected from both prospects for analysis by ALS for gold by fire assay / AAS and pathfinder elements by mixed acid / ICP. Results are in the table below:

SAMPLE_ID	SAMPLE TYPE	COMMENTS	SAMPLE DATE	UTM EAST	UTM NORTH	Au (ppm)	Ag (ppm)	As (ppm)
E05226	Float	Quartz vein float	16/08/2008	694,249	7,590,160	0.074	0.7	8
E05227	Subcrop	Quartz vein float. From 5m x 50m E-W zone of silicified subcrop cut by steeply dipping 165 striking qtz veins.	16/08/2008	694,247	7,590,221	0.133	6.3	7
E05228	Outcrop	Colloform quartz outcrop, 0.5m wide vein striking 090 and dipping steeply. Scattered quartz vein over +50m strike.	16/08/2008	695,175	7,590,195	0.479	17.2	44
E05229	Subcrop	Cryptocrystalline quartz subcrop in 100m x 100m area of scattered siliceous float.	16/08/2008	695,098	7,590,197	0.095	2	8
E05230	Outcrop	Quartz vein outcrop. 30m E by 20m N area of subcrop and float with 3m x 15m outcrop trending 080 deg.	16/08/2008	695,100	7,590,241	0.67	7.6	20
E05231	Subcrop	Cryptocrystalline quartz subcrop. 15m x 30m subcrop to float of cobbles to boulders.	16/08/2008	695,016	7,590,233	0.802	5.6	44
E05232	Outcrop	Silicified volcanic	16/08/2008	695,644	7,590,412	0.018	< 0.5	< 5
E05233	Float	Colloform quartz boulder float	16/08/2008	695,488	7,590,966	70.7	375	15
E05234	Float	Cryptocrystalline quartz boulder float	16/08/2008	695,478	7,590,922	2.85	8.2	30
E05235	Float	Colloform quartz boulder float	16/08/2008	695,506	7,590,809	0.344	4.2	59
E05236	Float	Colloform quartz boulder float	16/08/2008	695,069	7,591,179	0.038	< 0.5	< 5
E05237	Float	Colloform quartz boulder float. Quartz boulders scattered over 30m x 20m near outcropping partially silicified Rhyolite tuff.	16/08/2008	695,434	7,591,200	0.246	2.7	34
E05238	Float	Colloform quartz boulder float	16/08/2008	695,418	7,591,150	12.3	83.5	37

Table 1. Recent Rock Chip Sample Results – Waitara Epithermal Gold Prospect

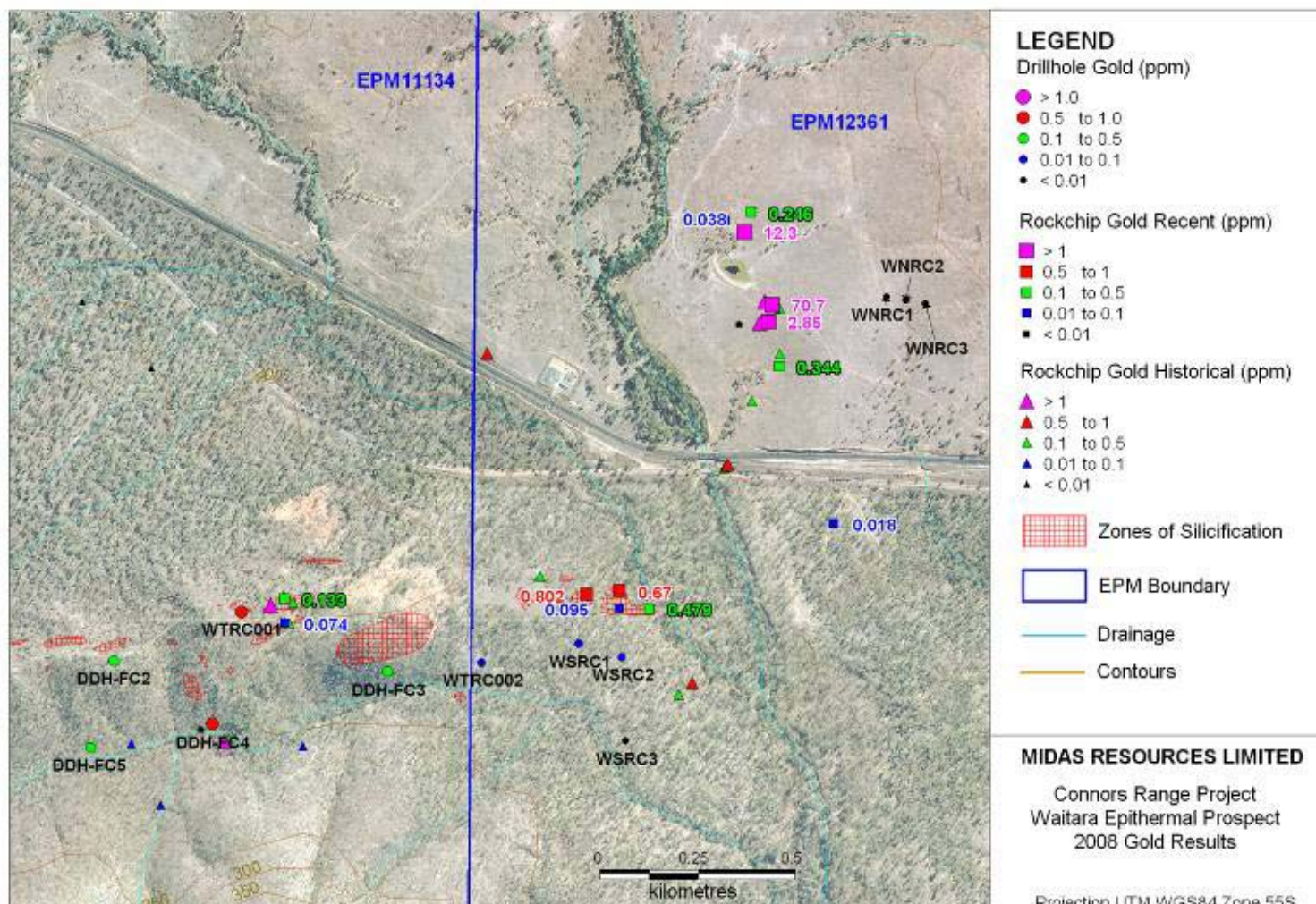


FIG 2 Recent Rock Sample Results

Results for samples collected from the E-W silicified zone indicate that encouraging gold results (consistently around 0.5ppm Au in outcrop) come from the eastern most end of the vein within EPM12361. Sets of thin cross-cutting quartz veins in EPM11134 also returned anomalous gold values up to 0.5ppm Au, similar to previous results in this area. Rock chip results and locations are shown in fig 1. Alluvial cover hides any further eastern extension of the mineralisation. Previous drilling in this area by another company in the late 1980's (WSRC 1 and WSRC 2 on Fig 2) involved RC holes that were only 50m deep and these holes failed to test the mineralisation at the eastern end of the prospect. The maximum depth of any drill hole on this property is only 150m.

Rock chip samples of boulder float collected to the north of the east-west vein system returned anomalous gold values ranging from 2.85ppm Au to 70.7ppm Au, with high silver values, supporting previous sampling results in this area. Alluvium and colluvium cover the immediate area so further work is planned to determine if there is a nearby bedrock source for the highly anomalous samples. The presence of these highly mineralised quartz boulders in close proximity to outcropping mineralisation supports the target concept of a mineralised vein system in the prospect area.

A Program and Budget for soil sampling to be followed by RC drilling is currently under consideration by the Joint Venture. An RC drill rig is available for this work in November.

Ukalunda Project *EPM11935 UKALUNDA, EPM11088 SUNBEAM, ML/1028, ML/ 1065, ML/1066, ML/1074*

The tenements have been offered for sale and discussion with interested parties is continuing.

OUTLOOK

The Company is maintaining its exploration programs as evidenced by the significant drill program currently being undertaken at Da Hong Shan in China and recent work at Connors Range in Queensland which has highlighted the epithermal gold potential of the Waitara project. Recent rock sample results have been very encouraging. The joint venture is currently reviewing plans for further surface geochemical work and an RC drill test. A drill rig is available for this work.

The Board is confident that the Company's focused exploration programs with a commitment to early stage drilling on high quality prospects are the best means to create shareholder value.

Yours faithfully

GEOFF BALFE

**Managing Director/CEO
MIDAS RESOURCES LIMITED**

The information within this report as it relates to exploration results and geology and Mineral Resources was compiled by Mr Paul Dunbar who is a member of the Australasian Institute of Mining and Metallurgy. Mr Dunbar is a full time employee of the Company. Mr. Dunbar 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 Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
