Midas Resources Limited ACN 095 092 158

Annual Report 2009

Contents

Chairman's Letter

Dear Fellow Shareholder

On behalf of the Board of Directors, it is my pleasure to present the Company's 2009 Annual Report and Financial Statements.

The past year was a challenging period for all resource companies. There was considerable investor uncertainty following the financial crisis of 2008, and capital markets became illiquid and metal prices retreated across the board. Fortunately, Australia has benefited greatly from the continuing demand for raw materials in China and we now see iron ore and base metal prices recovering some of their lost ground. Gold, in particular, has performed well due to its "safe haven" capacity and the future for this metal looks exceptionally bright. Midas is positioning itself to benefit from these improvements in gold and commodity prices.

During the year drilling programs were conducted at the Da Hong Shan porphyry copper JV project in China and the Waitara epithermal gold project (Connors Range JV) in Queensland. While mineralisation was successfully intersected it was mainly too low grade to justify continued exploration in a period of falling metal prices and the Company subsequently elected to withdraw from these projects. Important advances were made at the Fortitude gold project at Lake Carey, with the granting of Mining Leases over key areas and the execution of a number of pre-feasibility studies. The Company's highly experienced technical team was also fully occupied in evaluating a number of new project opportunities in Australia and overseas. The safety of its workforce is a priority for the Company and I am pleased to be able to report an excellent safety record in the past year with no lost time injuries.

Significant changes have been made to the Company's strategy in 2009, following the Company's withdrawal from China and from the Connors Range JV in Queensland. The Company continues to pursue a commercial outcome for its advanced Lake Carey gold project in the Eastern Goldfields and to consolidate its strategic position in the southern part of the highly prospective Laverton gold belt, but has diversified into iron ore in the Pilbara through the acquisition (subject to Shareholder approval) of Mulga Minerals Pty Ltd. Subsequent to year end the Company also applied for a number of exploration licences in WA's Paterson Province. St Barbara Mines Ltd's option to acquire the Sunset Well gold project near Leonora has also been extended until December 2010 and a drilling program is planned.

As a result, Midas now has three core project areas; Lake Carey gold, Pilbara iron ore, and Paterson Province base metals (plus gold and uranium). The Pilbara and Paterson projects are very exciting because of their potential to deliver big, valuable "Company making" projects and the strong market for commodities in Asia. The Fortitude gold project at Lake Carey is an advanced project and the Company continues to evaluate options for its development on acceptable terms, including the potential treatment of the ore at the nearby Sunrise Dam plant.

The Pilbara and Paterson projects are new, with most tenements still in the application stages. The Board believes that these projects provide excellent growth potential for the Company, and an aggressive exploration program is planned for both areas in 2010 as tenements are granted. The Company will also continue to actively pursue and evaluate new projects that have the potential to deliver value.

I would like to thank fellow Directors and staff for their diligence and hard work over the past 12 months and to thank shareholders and stakeholders for their ongoing support and interest.

Yours faithfully,

Don Boyer
Chairman

Managing Director's review of exploration activities

Highlights

- Midas and AngloGold Ashanti have been involved in commercial discussions about the Lake Carey Project but no agreement has been reached. Midas continues to evaluate a number of development and treatment options for Fortitude and intends to continue to explore and build value in the project.

- The Company has been successful in securing new exploration projects with excellent potential for growth and value creation for shareholders. The Mulga Minerals Pty Ltd acquisition has introduced a range of quality iron ore projects to the Company and an Exploration Target has already been identified at Pilbara West. Subject to granting of key tenements, the Company is planning an active iron ore exploration programme in 2010.

- The application by Midas for in excess of 1,200km^2 in the Paterson Province, Western Australia, marks an important milestone for the Company. The ground is highly prospective for base metals, gold and uranium. A number of former base metal prospects are contained within the applications. Because there are competing applications a ballot on December 18 will decide the priority of the individual tenement applicants. This is an exciting project with the potential for significant value creation if Midas is successful in the ballot.

- Following the global financial crisis in 2008 and the fall in metal prices the Company rationalised its Queensland and China projects to focus on a new strategy for growth in Western Australian projects.

WESTERN AUSTRALIAN PROJECTS

LAKE CAREY PROJECT (100% Midas)

Overview

The Lake Carey Project is located approximately 220km north northeast of Kalgoorlie and 100km south of Laverton (figure 1). The project tenements, including the Phantom Well project, cover an area of 120.11km^2 in the Laverton Tectonic Zone (LTZ) a highly prospective region of Western Australia's north-eastern Goldfields. The tenement package comprises four granted exploration licences, six granted mining leases and three granted prospecting licences. The main focus of gold exploration within the Lake Carey Project area has been the Fortitude and Bindah shear zones that extend the length of the Lake Carey tenements and into the Phantom Well project, immediately south of the Lake Carey Project.

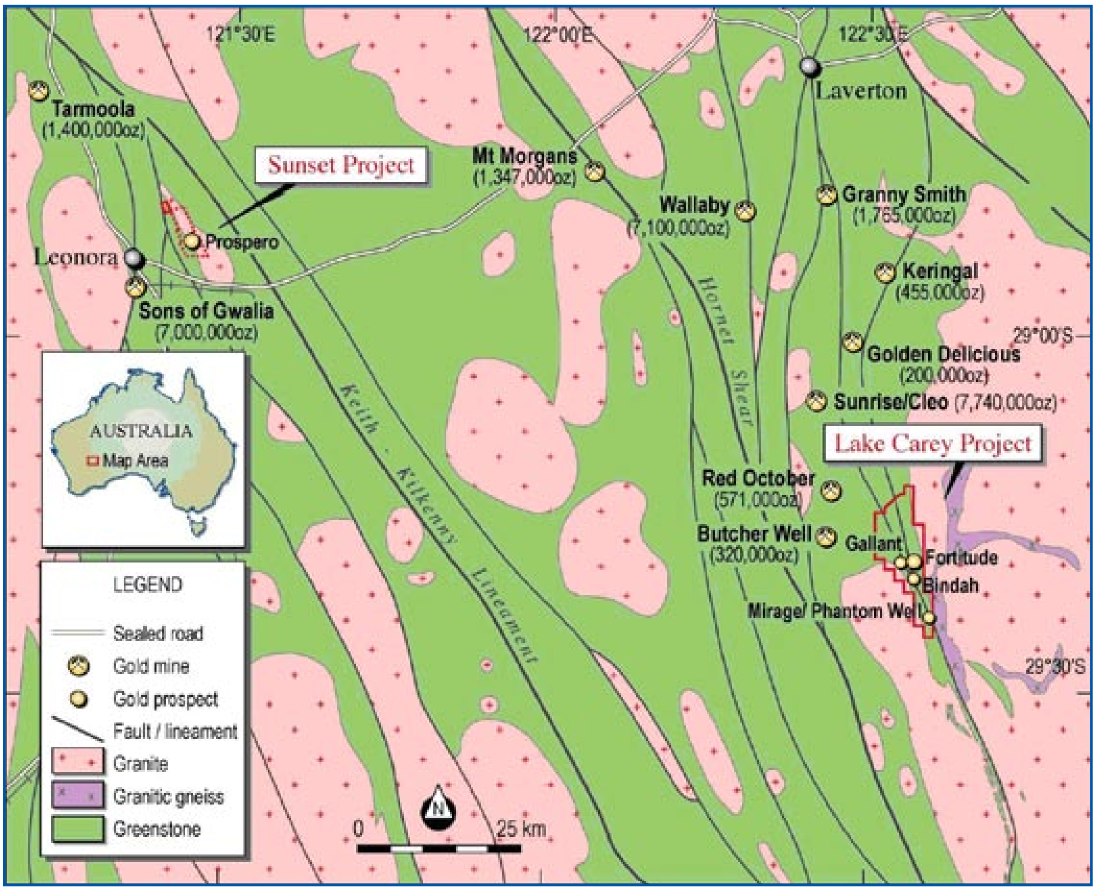

Figure 1. Location Map

During 2008/09 the Company was focussed on achieving a successful commercial agreement with AngloGold Ashanti (Australia) Limited (AGAA) concerning the development of Fortitude and treatment of ore at the Sunrise Dam facility. AGAA has conducted comprehensive scoping level mining studies but Midas and AGAA have not reached a commercial understanding that would form the basis of an agreement.

Although treatment at Sunrise Dam would be the most efficient outcome for the Fortitude deposit the Company is also investigating a number of other treatment options:

- Stand-alone: This would require the construction of a mill at Fortitude and the Company has been pro-active in seeking alliances with other companies that have undeveloped resources within trucking distance of Fortitude. The objective is to expand the resource base in order to justify the cost of a mill and treatment plant.

- Toll Treatment: Toll treatment at Sunrise Dam remains an option but depends on the future availability of the plant to treat Fortitude ore.

Additional metallurgical testwork would be required to demonstrate that the ore is suitable for the Sunrise Dam plant.

- Heap Leach: The potential to treat Fortitude ore by the heap leach process has had only limited testwork to-date. The current gold price justifies a review of the amenability of the Fortitude ore to heap leaching. If justified, a program of column-leach metallurgical testwork would be required in order to properly evaluate the suitability of the ore for leaching. The Company is currently conducting a review of past testwork in order to determine if more testwork is justified.

Fortitude Project (M39/709, M39/710 & M39/1065)

The Company completed a Resource update in June 2007 which was fully reported in the 2007 Annual Report The Resource statement in table 1 (below) is a summary based on the 2007 Annual Report and it was previously released to ASX in this format in the March '09 Quarterly Report.

A pit optimisation study by RSG (now Coffey Mining) in 2007 showed that a cut-off grade of 1.4 g/t was necessary for long distance (75km) trucking to the Granny Smith treatment plant. This high cut-off grade in an open pit caused sterilisation of a significant part of the Resource and significantly increased the stripping ratio. Trucking to Sunrise Dam, which is only 35km by existing haul road, is seen as the most efficient treatment option regardless of the gold price.

Table 1 Fortitude Gold Deposit Mineral Resource estimate at a 0.5g/t cutoff.

Category	Tonnes (Mt)	Grade (g/t Au)	Metal (ozs Au)
Measured	-	-	-
Indicated	3.05	1.7	164,000
Inferred	6.02	1.6	309,000
Total	9.07	1.6	473,000

Note: this resource was estimated by RSG Global (now Coffey Mining) using Multiple Indicator Kriging based on a 3mE x 6mN x 2.5mRL Selective Mining Unit. and was previously reported to ASX in the March 2009 Quarterly report (dated April 24)

Re-logging of selected RC drill holes at Fortitude was carried out by Midas in order to improve the understanding of the distribution of gold mineralisation in the oxidised zone. The work has highlighted that the previously interpreted supergene "blankets" are not exclusively horizontal sheets but are more likely shallow dipping oxidised primary gold lodes. All the significant intersections in the oxidised zone of Fortitude have considerable quartz veining which suggests that some of the lodes may project up closer to surface than previously interpreted. This interpretation would therefore reduce the thickness of overburden.

As part of its study AGAA carried out detailed structural re-logging of Fortitude diamond core and the review and reinterpretation of the resource wire frames has improved understanding of several areas in the current resource model. The resource wire frames have been updated and have been used as a basis for the re-estimation of parts of the global resource by AGAA in their evaluation.

The Company has reviewed and updated its estimate of the time required to complete the necessary pre-feasibility work and baseline studies that are needed to support a development decision, if justified by a feasibility study. It is currently estimated that all remaining pre-feasibility work could be completed in 2010 and, subject to the requisite environmental approvals being obtained within the forecast timeline and an appropriate mining and treatment agreement being in place, that a development decision could be made in the December Quarter 2010.

LAKE CAREY EXPLORATION

Exploration activities during the year involved a review of exploration targets within the Lake Carey project (figure 2). This work was assisted by a recent Hyper-spectral analysis of bottom-of-hole drill chips to identify alteration minerals that are associated with gold mineralisation. This work has assisted in the planning of future drill programs to more effectively test the selected targets.

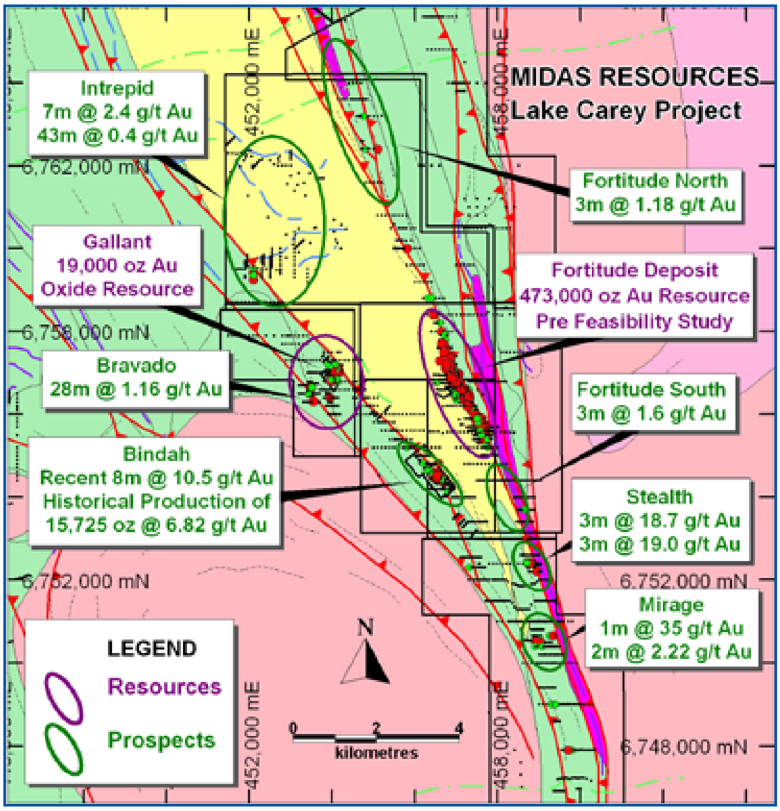

Figure 2 Lake Carey Exploration Targets

Intrepid (E39/348)

Aircore drilling in 2008 at Intrepid was designed to test a Sunrise Dam type mineralisation model. The drilling followed-up earlier Midas drill results, including 7m @ 2.4g/t gold. While the 2008 drilling failed to intersect significant gold mineralisation it did provide a better understanding of the geology and structure in the area. Re-interpretation of the geology has resulted in an understanding that the mineralisation at Intrepid is probably controlled by the northern extension of the Bindah shear. The previous drilling was orientated to test an interpreted east – west orientated thrust, not the NNW orientated Bindah Shear. Recent spectral analysis of the bottom of hole chips from Intrepid suggest the area has been altered by hydrothermal fluids and the resulting re interpretation of the geology suggests that the area requires further drilling.

Fortitude North (E39/348 & E39/1286)

A 6km strike extension to the north of Fortitude has only received minor drill testing due to access difficulties around the shoreline of Lake Carey. The tracked drill-rigs normally used for drilling on the lake surface have difficulty negotiating the sand dunes around the lake edge. Drilling in 2008 intersected encouraging results including 3m @ 1.18g/t gold on very wide spaced drilling. Access difficulties again proved problematic as follow-up drilling was unable to test the extensions of this mineralisation due to the sandy nature of the shoreline. The drilling completed to-date has demonstrated that the northern extension to the Fortitude Shear Zone is gold-anomalous over a considerable strike length and that further drilling along this structure is warranted.

Fortitude South (E39/348, M39/710)

Drill targets have been identified immediately south of the Fortitude deposit. Aircore drill hits of 4m @ 4.3 g/t Au and 3m @ 7.8g/t Au are to be followed up with RC drilling and there is also a 2.5km section of the Fortitude Shear Zone that has not been adequately tested by drilling due to a recent interpretation that places the structure further west than the previous drilling.

Other Targets (E39/1287, M39/1, M39/198, M39/286, P39/4471, P39/4644 & P39/4645)

The Company consistently reviews and ranks the exploration targets at Lake Carey for drill follow-up according to results. Recent studies have highlighted the area immediately south of Fortitude and the northern part of the Bindah Shear Zone (adjacent to Intrepid) as areas with significant potential for gold mineralisation. Additional drilling is planned in these areas in 2010.

PHANTOM WELL PROJECT – Western Australia
(Midas 100%, Barranco Pty Ltd has the right to earn back to a 15% interest)

The Phantom Well tenement (E39/1288) is located immediately south of the Lake Carey Project in the Laverton Tectonic Zone. The project contains prospective structural targets in an area where the Fortitude and Bindah Shears converge.

Field activities were limited to a re-evaluation of the targets, in particular Stealth and Mirage. This assessment resulted in the targets being re-ranked and the areas of low potential surrendered.

IRON ORE PROJECTS – Mulga Minerals Pty Ltd

The conditional purchase of Mulga was announced on 29 June 2009. Mulga, which is associated with Midas Chairman Don Boyer, holds iron ore tenements in the Pilbara district of Western Australia. Following a due diligence review of the Pilbara tenements, the significant results of which were reported on 5 August, the non-associated Directors resolved to proceed to complete the purchase of Mulga. A shareholder meeting will be held on 5 October to approve the transaction.

The consideration for the purchase is six million fully paid shares in Midas and $75,000 in cash.

THE IRON ORE TENEMENTS

The tenement package consists of six key tenements and four separate project areas; these are detailed in Table 2 and Figure 3 below:

Table 2 Details of the Mulga Minerals Iron Ore tenements

Project	Tenement	Status	Area (km^2)	Comment
Marandoo	**E47/1885**	**Granted**	**6**	
West Angelas	E47/1886	Pending	3.2	Mulga is the priority Applicant
West Pilbara	**E47/1893**	**Granted**	**49.2**	
	E08/1997	Pending	44.3	Mulga is the priority Applicant
Yandicoogina	**E47/1901**	**Granted**	**1.0**	
	E47/1958	Pending	2.9	Mulga is the priority Applicant
Total			*106.6*	

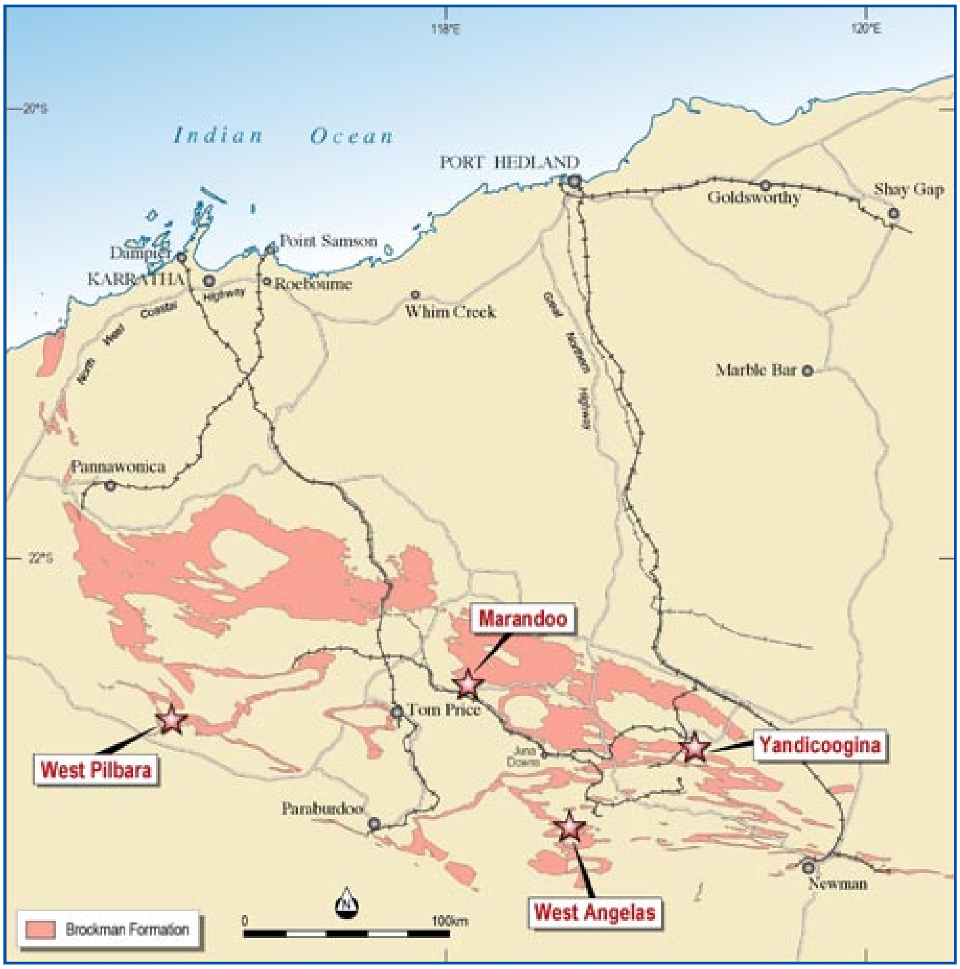

Figure 3. Location of Iron Ore Projects

West Pilbara

E47/1893 and EL08/1997 (figure 4) are located 110km west of Tom Price. E08/1997 is within 10km of the sealed Nanutarra-Wittenoom road and it is in close proximity to several iron ore deposits including Metawandy (Rio Tinto) and Anthiby Well (Giralia Resources NL). The iron ore targets already identified in the subject tenements by previous explorers include mesas of Robe Pisolite (CID's) and potential BID's in the Brockman Iron Formation.

Rock chip sampling conducted in July 2009 of the southern mesa in EL08/1997 involved 56 samples collected mainly from the breakaway slope of the mesa, plus various other grab samples, see figure 5.

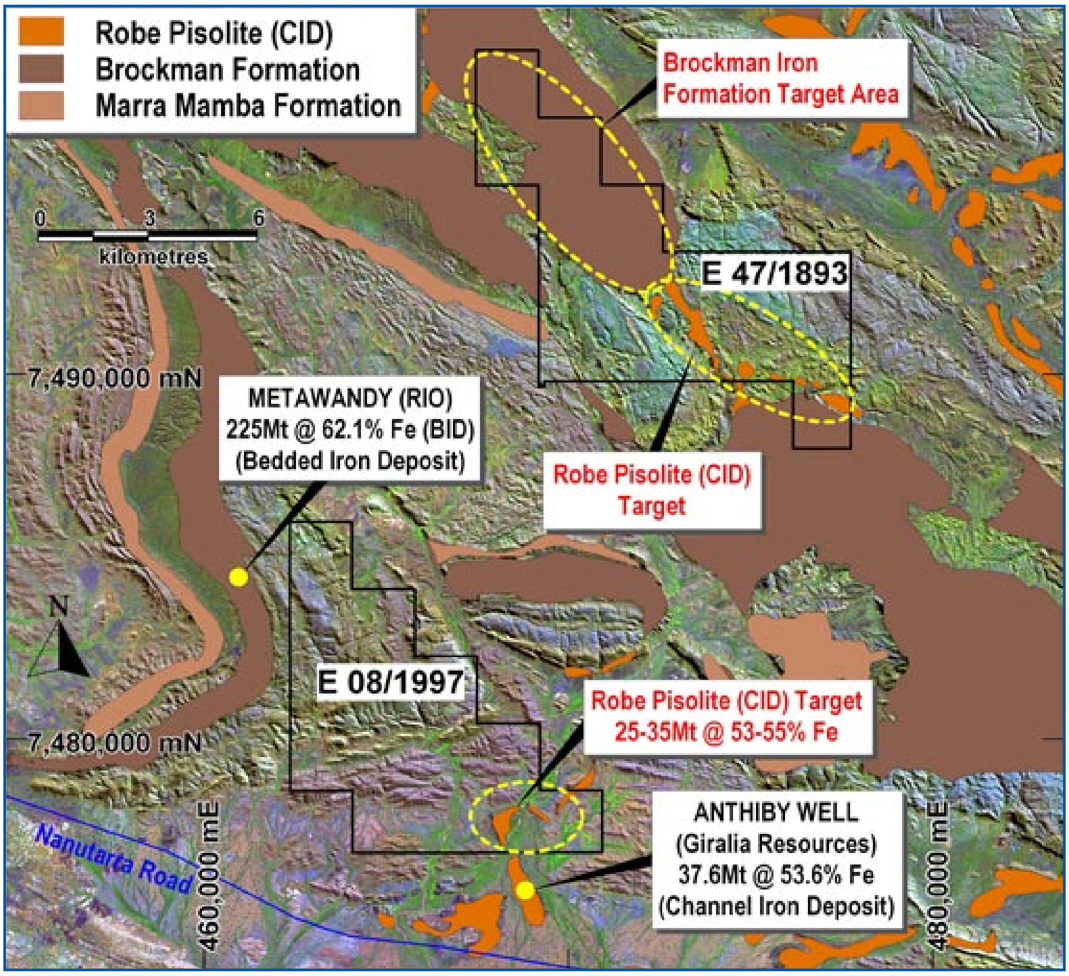

Figure 4 West Pilbara Exploration Targets

RESULTS

An initial cut-off grade of 55% Fe has been selected for defining significant results. Al2O3, SiO2 and P are considered to be contaminants in iron ores and are reported in the table of results below.

Southern Tenement (E08/1997)

The highest priority targets in the West Pilbara tenements mainly occur in E08/1997 and these are mesas of Robe River Pisolite that occur along the ancient drainages. The mesas in E08/1997 were rock chip sampled in July 2009 as a part of the Midas Due Diligence into the Mulga acquisition.

Assay results over 55% Fe are in Table 3. Figure 5 shows the location and results of all samples.

Table 3 Rock Chip Assay Results from the southern West Pilbara targets within E08/1997:

Sample Number	Easting	Northing	RL	Fe %	Ca Fe %	SiO2 %	Al2O3 %	P %	S %	LOI
P0005	469735	7478297	315	55.4	63.1	5.34	2.46	0.055	0.023	12.25
P0010	469721	7478163	331	55.4	60.8	6.91	4.12	0.070	0.072	8.81
P0011	469723	7478037	333	55.9	61.8	5.15	4.21	0.076	0.134	9.57
P0014	469694	7478017	311	56.5	62.1	5.82	3.67	0.078	0.044	9.07
P0016	469408	7477825	306	55.4	61.2	5.70	4.23	0.041	0.162	9.51
P0021	469168	7477987	317	57.5	61.5	6.03	3.99	0.068	0.075	6.46
P0022	469019	7478077	321	58.3	63.0	4.05	3.92	0.063	0.094	7.46
P0033	468311	7477341	273	55.7	60.8	5.48	5.16	0.050	0.066	8.32
P0038	468270	7477590	314	57.2	62.0	5.10	4.11	0.048	0.094	7.74
P0039	468290	7477924	319	55.6	59.7	6.79	5.54	0.062	0.051	6.93
P0040	468509	7478046	317	58.2	62.5	4.53	4.31	0.050	0.073	6.81

Notes:

1. This table only includes assay results >55% Fe, all assay results are included in the 5th August 2009 ASX release.
2. Analysis was done using fused disk X-Ray Fluorescence Spectrometry (XRF) with Loss on Ignition (LOI) determined using a Thermo-gravimetric analyser at 1000^{0}C.
3. Calcined Iron (CaFe) calculated by the formula CaFe% = ((Fe%) / (100-LOI))*100 with LOI determined at 1000^{0}C

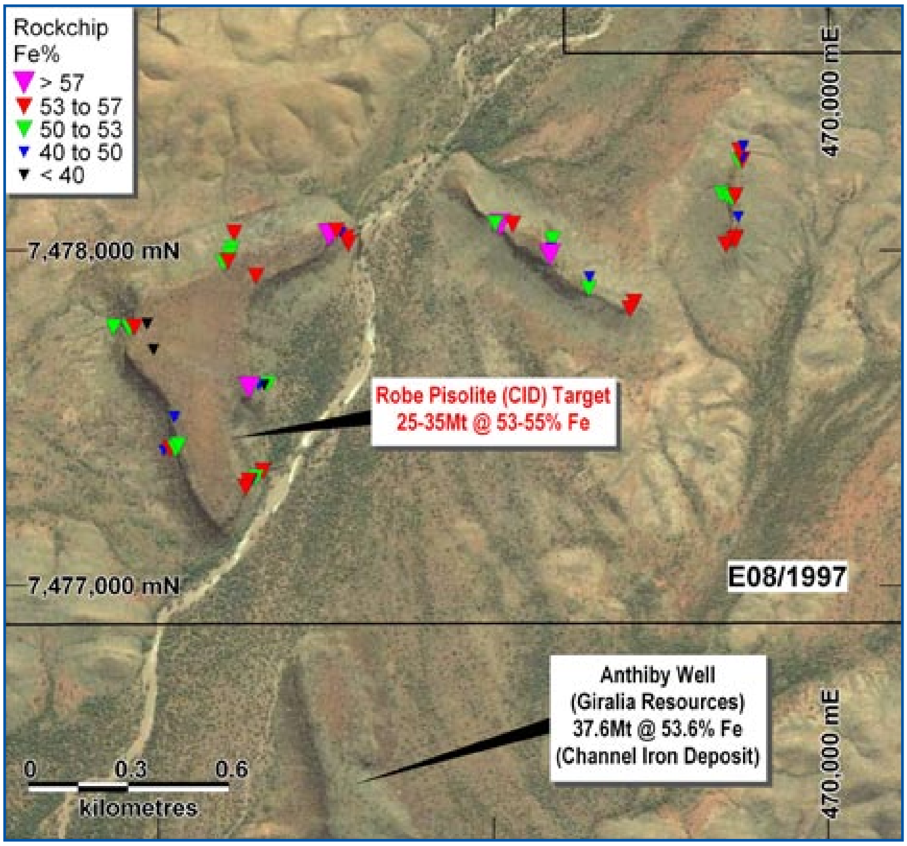

Figure 5 CID Target - Rock chip results for Fe% highlighted.

Of the 56 samples collected in this tenement 11 exceeded 55% Fe, averaging 56.5% Fe (61.7% CaFe). The average of all 56 samples is 51.2% Fe (57% CaFe).

An exploration target of between 25Mt and 35Mt grading between 53% and 55% Fe has been estimated from the known surface area and height of the mesa and the rock chip results. It is noted that the exploration target in the Mulga tenement is conceptual in nature, insufficient work has been done to determine a mineral resource and further work may not necessarily define a Mineral Resource.

This exploration target is in part guided by the reported inferred resource of Giralia Resources NL on their adjacent tenement of 37.6 Mt @ 53.6% Fe at a 50% Fe cut off grade.

Drill rig access to the mesa has been reviewed and while some earthworks would be required, drill testing of this target could commence as soon as the tenement is granted, and after any required heritage and environmental clearance surveys have been satisfactorily conducted.

Northern Tenement (E47/1893)

Several Robe River Pisolite type exploration targets have been identified in the southern part of the tenement. Where observed they consist of thin Robe River Pisolite and cemented colluvial gravels. While the thickness of these units is between 5 and 10m, which is significantly less than the more typical mesa CID mineralisation, they do cover a significant area and may therefore have potential for CID type deposits.

Of the 17 samples collected in this tenement four exceeded 55% Fe, averaging 56.8%Fe (61.9% CaFe).

Assay results over 55% Fe are in Table 4 (the ASX release of 5th August 2009 details all assay results) and Figure 6 shows the location of all samples. With samples in excess of 55% Fe highlighted.

Table 4 Rock Chip Assay results from targets in E47/1993 - the northern West Pilbara tenement:

Sample Number	Easting	Northing	RL	Fe %	CaFe %	SiO2 %	Al2O3 %	P %	S %	LOI
P0057	477633	7489072	470	57.1	61.7	5.70	4.12	0.045	0.029	7.46
P0061	477262	7489455	469	55.8	60.6	5.69	5.55	0.048	0.048	7.90
P0065	476446	7489430	424	56.7	63.1	5.41	2.67	0.036	0.080	10.10
P0067	476486	7489531	458	57.5	62.2	6.03	3.19	0.073	0.077	7.51

Notes:

1. This table only includes assay results >55% Fe, all assay results are included in the 5th August 2009 ASX release.

2. Analysis was done using fused disk X-Ray Fluorescence Spectrometry (XRF) with Loss on Ignition (LOI) determined using a Thermo-gravimetric analyser at 1000°C.
3. Calcined Iron (CaFe) calculated by the formula CaFe% = ((Fe%) / (100-LOI))*100 with LOI determined at 1000°C

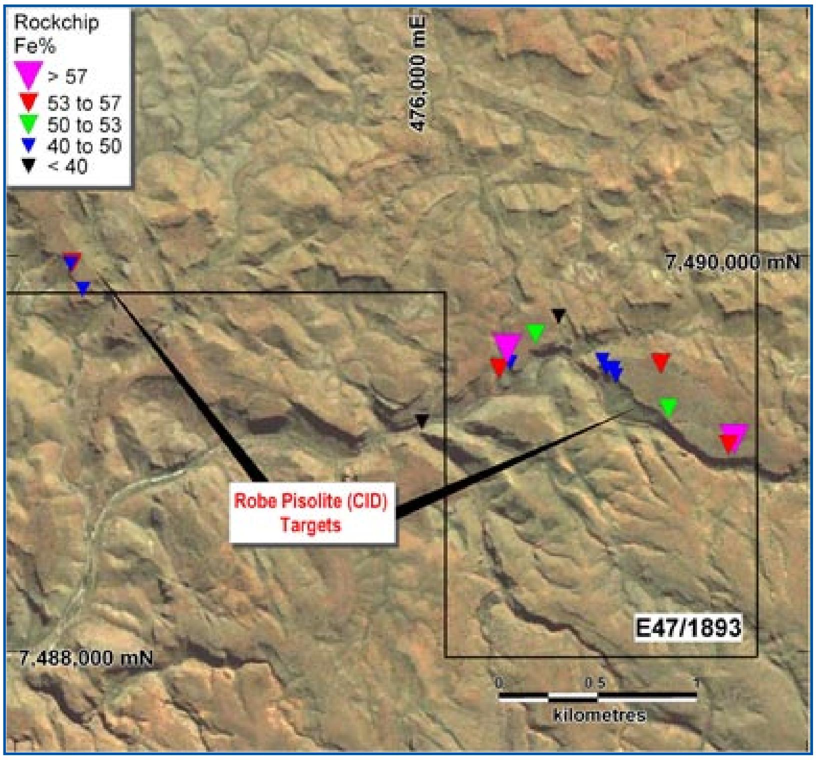

Figure 6. E47/1893 Results of Rock chip samples

Marandoo (E47/1885)

Mapping by a previous company identified bedded iron mineralisation (BID) and Canga type mineralisation within the Marandoo tenement. Thirty six samples were collected by Midas with a total of nine samples returning assay results greater than 55% Fe, averaging 59.5% Fe with the highest assay of 65.5% Fe.

Figure 7 shows the location of the samples with results highlighted. Table 5 lists the results greater than 55% Fe (the ASX release of 5th August 2009 details all assay results).

Table 5 Rock Chip Assay results for the Marandoo project:

Sample Number	Easting	Northing	RL	Fe %	CaFe %	SiO2 %	Al2O3 %	P %	S %	LOI
P0074	608524	7509014	930	63.7	65.5	3.43	1.33	0.104	0.056	2.68
P0084	610253	7507908	844	58.2	60.2	11.45	0.91	0.075	0.042	3.39
P0101	610533	7507795	822	65.5	67.4	2.12	0.83	0.078	0.025	2.85
P0102	610579	7507838	839	62.4	66.9	1.94	1.46	0.088	0.043	6.79
P0103	610607	7507832	838	58.8	65.0	2.81	2.77	0.183	0.069	9.47
P0104	610604	7507849	841	60.9	66.8	1.72	1.54	0.110	0.054	8.86
P0107	610562	7508025	881	59.0	62.6	8.41	0.93	0.139	0.047	5.72
P0108	610558	7508152	909	58.0	62.6	8.20	0.95	0.118	0.038	7.34
P0113	610644	7508173	922	60.0	64.7	6.01	0.47	0.100	0.025	7.24

Notes:

1. This table only includes assay results >55% Fe, all assay results are included in the 5th August 2009 ASX release.
2. Analysis was done using fused disk X-Ray Fluorescence Spectrometry (XRF) with Loss on Ignition (LOI) determined using a Thermo-gravimetric analyser at 1000^{0}C.
3. Calcined Iron (CaFe) calculated by the formula CaFe% = ((Fe%) / (100-LOI))*100 with LOI determined at 1000^{0}C

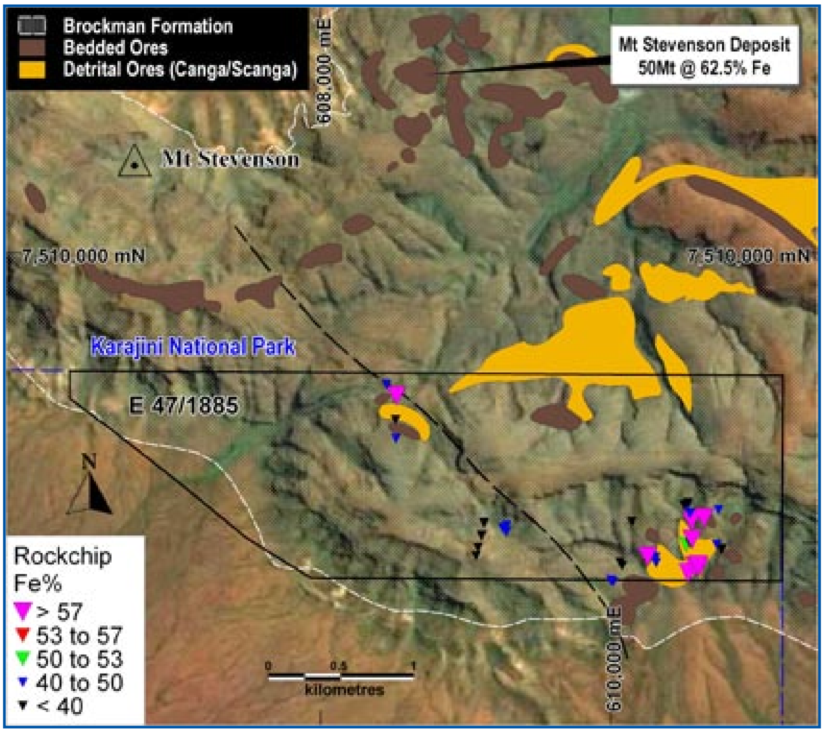

Figure 7. Marandoo rock chip samples with Fe% highlighted.

Yandicoogina

The project comprises three tenement applications; E47/1901, E47/1902 and E47/1958 and it is located 85km NW of Newman and 7 km south of the Yandicoogina mine site. The tenements are considered to have potential for several unmapped palaeo-drainage systems with potential to host CID type deposits. Reconnaissance drilling would be required to test this potential. The tenement application for E47/1902 has gone to a ballot and Mulga is second in line for this tenement.

West Angelas

E47/1886 is located 12 km south west of Robe River Iron's West Angelas minesite. The tenement is largely covered by transported material but contains outcrops of Brockman Iron Formation. Potential is seen for BID and canga type deposits and supergene enriched haematite-goethite deposits associated with the Brockman Iron Formation. There is no previous drilling on E47/1886.

Bidaminna Mineral Sands (Subject to the Mulga Acquisition):
Mulga has tenement applications in the northern Perth Basin for minerals sands. E70/3529 and E70/3639 cover the interpreted extension of known heavy mineral strandlines in proximity to Image Resources' Bidaminna South ilmenite deposit. Assessment of the potential of these tenements is ongoing.

PILBARA REGIONAL EXPLORATION

100% Midas

The company has been reviewing opportunities to acquire prospective ground that is available in the Pilbara and where the available ground has iron ore potential tenement applications have been submitted. The Company at present has three tenement applications for around 79km^2 over several prospective geological units. All the applications are subject to ballot to determine priority.

PATERSON PROJECT – WESTERN AUSTRALIA

100% Midas

The company is the priority applicant for Exploration licences E45/3467 (42 sub-blocks) and E45/3468 (25 sub-blocks) in the Paterson Province, Western Australia. These applications (figure 8) cover important sections of the stratigraphy that host significant base metal deposits at Nifty and Maroochydore. Potential is also recognised in the district for uranium deposits of the Alligator River type (e.g. Kintyre) and gold-copper mineralisation (Telfer type).

The Company has targeted the Paterson Province for base metals, gold and uranium and is pro-active concerning future opportunities in the region.

On September 7th Midas applied for an additional five Exploration Licences (E45/3506 – E45/3510) in the Paterson Province covering key sections of the highly prospective Yeneena Group sediments that are host to copper deposits at Nifty and at Maroochydore.

Major regional scale faults are considered important conduits for base metal mineralisation in the Paterson Province. Northwest trending duplex faults and east north east tensional faults are the bounding structures to the prospective sag basins, as well as acting as the fluid pathways for base metals.

There are competing applications by two other companies for the latter five exploration licences and as a result the Department of Mines and Petroleum will decide the successful applicant for each tenement by a ballot on the 18th of December. Three of the tenements are subject to objections. Subject to the outcome of the ballot, objections hearings and completion of all other statutory requirements including heritage agreements with the affected Native Title stakeholders, the tenements would normally proceed to grant.

Following granting of the tenements and completion of the historical data review Midas intends to undertake an aggressive exploration programme, principally for base metals.

Midas now has approximately 1,200km² under application in the Paterson Province.

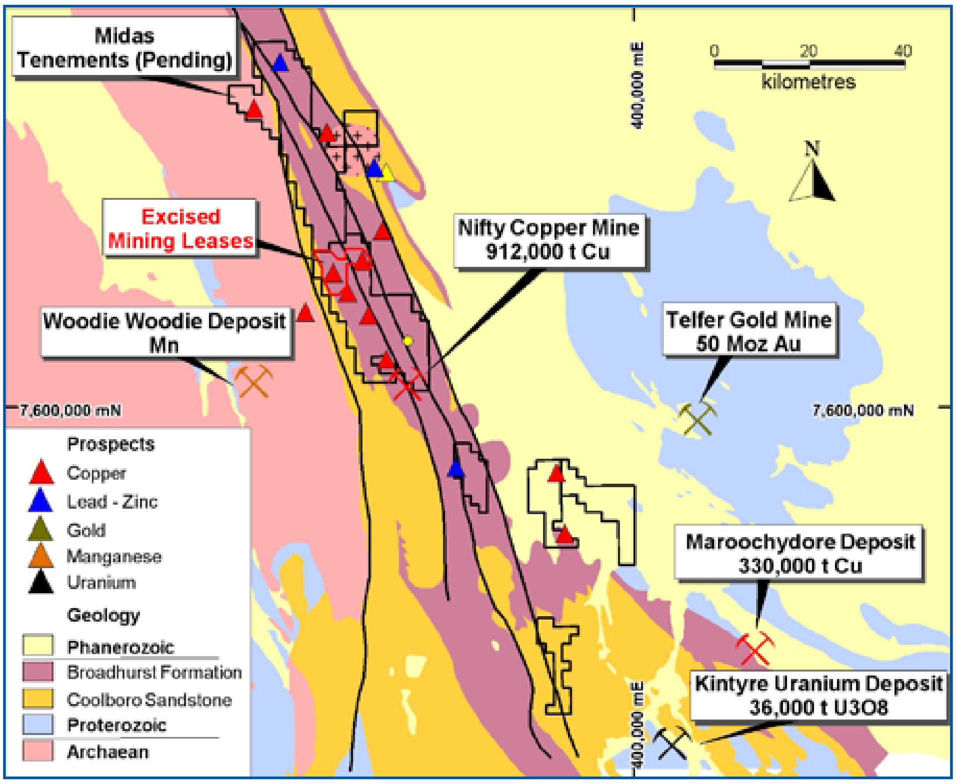

Figure 8. Paterson Province – Midas Tenement Applications

SUNSET WELL– Western Australia (Midas 100% - St Barbara Limited has an Option to Purchase)

The Sunset Well Project consists of eleven Prospecting Licences that were optioned to St Barbara Limited under an agreement dated 15 February, 2008. An extension to the option period to 31 December 2010 was granted to St Barbara in August 2009.

The tenements are located approximately 15 km east of Leonora within the North East Goldfields region of Western Australia. The tenements are granted and cover 19.54km². Widespread gold anomalism and mineralisation occurs on multiple structures and lithological contacts.

Under the extended option agreement St Barbara will complete a minimum drilling program of 1,100 metres. St Barbara can exercise its option at any time by payment of $350,000 to Midas.

Connors Range Joint Venture – Queensland

During the year exploration activities on the Connors Range tenements included rock chip sampling, soil sampling and a two-hole RC drilling program testing gold targets in the northern part of the project area. The results from this exploration were disappointing and Midas decided to withdraw from the Connors Range Joint Venture effective from 31 December 2008.

Ukalunda Project – Queensland
Midas has surrendered all tenements associated with the Ukalunda Project.

P.R. CHINA
Midas had been exploring for gold, copper-molybdenum, nickel sulphides and other metals in the PR China through its 85% owned subsidiary company Midas Mining China Company Limited (MMCL).

During the year Midas undertook a significant exploration effort at the Da Hong Shan porphyry copper molybdenum project, located in the Xinjiang Autonomous Region. These exploration activities included ten diamond drill holes, soil sampling and geophysical surveys to define extensions to the outcropping copper mineralisation. This drilling intersected low grade copper and molybdenum mineralisation which, combined with the world wide financial crisis at that time, influenced the Company's decision to withdraw from the Da Hong Shan Joint Venture and liquidate its subsidiary company in PR China.

The information within this report as it relates to Exploration Results, Mineral Resources and Geology was compiled by Mr. Paul Dunbar who is a member of the Australian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. 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 they are undertaking to qualify as Competent Persons 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 their information in the form and context in which it appears.

References to Exploration Targets and Potential are conceptual in the context of this report and it is uncertain if exploration will result in a Mineral Resource being defined in the tenements. There is no certainty that all of the tenements applied for will eventually be granted to either Midas Resources or Mulga Minerals.

Tenement Schedule

As at September 30th 2009

Lake Carey Project

Western Australia – 100% Midas
Live Tenements
E39/348, E39/1286, E39/1287, M39/1, M39/198, M39/286, M39/709, M39/710, M39/1065, P39/46471, P39/4644 & P39/4645

Phantom Well

Western Australia – 100% Midas; Barranco Pty Ltd has the right to earn back to a 15% interest.
Live Tenement
E39/1288

Laverton Tectonic Zone

Western Australia – 100% Midas
Application – Midas Priority applicant
E 39/1499

Sunset Well

Western Australia – 100% Midas (St Barbara Limited has an Option to Purchase)
Live Tenements
P37/6898, P37/6899, P37/6900, P37/6901, P37/6902, P37/6903, P37/6904, P37/6905, P37/6906, P37/6907, P37/7193 & P37/7576

Paterson Province

Western Australia – 100% Midas
Applications – Midas Priority applicant
E45/3467 & E45/3468
Application – Ballot to decide Priority Pending
E45/3506, E45/3507, E45/3508, E45/3509 & E45/3510

Mulga Minerals Tenements

Western Australia – 100% Midas (Subject to Mulga Minerals Acquisition)
Live Tenements
E47/1885, E47/1893 & E47/1901,
Applications – Mulga Minerals Priority applicant
E08/1997, E47/1886, E47/1958, E70/3529 & E70/3639
Applications – Mulga Minerals Not the Priority applicant
E47/1902 & E08/2010

Pilbara Region

Western Australia – 100% Midas
Applications – Ballot to decide Priority Pending
E47/2095, E47/2111 & E47/2112

Notes

- E, M and P are abbreviations for Exploration Licence, Mining Lease and Prospecting Licence respectively under the Western Australian Mining Act.

Directors' Report

The Directors present their report together with the financial report of Midas Resources Limited ("the Company") and of the Group, being the Company and its controlled entities, for the year ended 30 June 2009 and the auditor's report thereon.

1. DIRECTORS

The Directors at any time during or since the end of the financial year are:

D Boyer	Director since 16 November 2000
T Streeter	Director since 22 June 2001
G Balfe	Director since 10 August 2004

D. Don Boyer –Chairman

BSc(Hons), CPGeo, FAIMM, MAIG, MAICD

Mr Boyer is a geologist and resource company manager with over 40 years experience in gold and base metals exploration in Australia and overseas.

He has considerable experience in exploration management, project management and assessment, feasibility studies and development analysis. His experience includes responsibility for technical operations from project acquisition through discovery to production and he has been instrumental in the listing of a number of resource companies on the Australian Stock Exchange. He has held Executive and Non-executive Director positions in a number of listed Australian resource companies. He was previously the Chairman of WA nickel miner Western Areas NL until August 2006.

In addition to his role as Chairman of the Company, which he co-founded, Mr Boyer is also Non-executive Chairman of the Tasmanian mining company Bass Metals Ltd.

Geoffrey (Geoff) D Balfe – Managing Director

B.App.Geol., MAIMM

Geoff is a qualified geologist with more than 30 years experience in Australia and overseas in the management and operation of major exploration and evaluation projects. Geoff's extensive experience within Australia and overseas includes senior exploration management roles with MPI (10 years), ACM-Normandy (7 years) and AMAX (12 years), in addition to consultancy roles. His impressive track record includes direct involvement in the discovery and development of nickel ore bodies at Silver Swan and Forrestania in Australia, and of gold deposits in Turkey and Nevada (USA). He has also held board positions in other listed Australian resource companies and the subsidiaries of a number of resource companies, including MPI and ACM.

Terry Streeter – Non-Executive Director

Mr Terry Streeter is a Perth-based businessman and investor with long involvement in the exploration and mining industries.

He has been involved with the nickel sulphide industry since 1970 and provides the Board and shareholders with many years of experience in funding, listing and overseeing junior explorers in all exploration and economic cycles.

2. DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of Directorship
Don Boyer	Bass Metals Ltd	August 2004 – current
	Western Areas NL	March 2000 – August 2006
Geoff Balfe	Red River Resources NL	31 August 2004 – 30 June 2008
Terry Streeter	Western Areas NL	December 1999 – current
	Fox Resources Limited	June 2005 – current

3. COMPANY SECRETARY

Mr Phillip MacLeod was appointed to the position of company secretary in January 2004. Mr MacLeod has over 20 years commercial experience and has held the position of company secretary with listed public companies since 1995.

4. DIRECTORS' MEETINGS

The number of Directors' meetings held and the number of meetings attended by each of the Directors of the Company during their term in office in the financial year is as follows.

Director	Meetings held	Meetings attended
Mr D Boyer	9	9
Mr T Streeter	9	9
Mr G Balfe	9	9

The Company does not have any committees. Matters usually considered by an audit, remuneration or nomination committee were dealt with by the whole Board during regular Board meetings.

5. REMUNERATION REPORT - AUDITED

5.1 Principals of compensation

Remuneration levels for key management personnel and other staff of the Group are competitively set to attract and retain appropriately qualified and experienced personnel. Staff remuneration is reviewed in January each year.

All non-executive Directors receive a fixed Directors' fee. Non-Executive Directors receive a fee of $40,000 per annum and the Non-Executive Chairman receives a fee of $50,000 per annum. The aggregate amount of Directors' fees payable by the Company must be presented for approval to the shareholders in general meeting. This was done at the 2001 annual general meeting and has not been changed since.

The Managing Director is employed on normal commercial terms by the Company. The level of remuneration and any incentive payments are reviewed annually. Currently the base cash component of remuneration is not dependent on the satisfaction of any performance condition. However, at the last annual review Mr Balfe was offered an incentive bonus of $50,000 subject to meeting specified performance criteria by 31 December 2009. At the date of this report none of the criteria for the payment of the bonus have been met. In November 2006, shareholders approved the grant of 2,500,000 options. Of these options, 1,500,000 are performance based with the options only being exercisable once the Company's share price reaches a prescribed level. The Company's share price is monitored to determine if the performance condition is met. This condition has not been met at the date of this report. Mr Balfe's employment may be terminated by him or the Company with twelve weeks written notice. Mr Balfe is entitled to payment to the end of the notice period.

The Company Secretary, Phil MacLeod, is not currently under a service agreement.

The Company has a management services agreement in place with BERM, a company associated with Director, Mr Don Boyer. If the agreement is terminated by the Company, the Company shall be liable to pay to BERM $200,000 or if that amount exceeds the amount permissible under Section 237 (6) of the Corporations Act, such lesser amount as is permitted under that section. Other than the incentive and performance based options issued to the Managing Director, and the grant of incentive options to the non-executive Directors there are no other items of contingent remuneration to Directors.

5.2 Directors' and senior executives' remuneration

Details of the nature and amount of each major element of the remuneration of each of the Directors of the Company and Group and named executives of the Company and Group receiving the highest remuneration are:

		Primary	Post-employment	Equity Compensation		Proportion of remuneration performance related	Value of options as proportion of remuneration
		Salary & fees	Superannuation benefits	Options	Total		
		$	$	$	$	%	%
Directors							
Non-executive							
Mr T Streeter	2009	40,000	3,600	-	43,600	-	-
	2008	40,000	3,600	-	43,600	-	-
Mr D Boyer (1)	2009	104,435	-	-	104,435	-	-
	2008	113,975	4,500	-	118,475	-	-
Executive							
Mr G Balfe	2009	236,246	21,262	-	257,508	-	-
	2008	192,341	17,311	-	209,652	-	-
Total, all specified Directors	2009	380,681	24,862	-	405,543		
	2008	346,316	25,411	-	371,727		
Executives							
Mr P MacLeod	2009	72,000	-	6,472	78,472	-	8.25
(Company Secretary)	2008	72,000	-	14,155	86,155	-	16.4
Total key management personnel and Directors of the Company and Group	2009	452,681	24,862	6,472	484,015		
	2008	418,316	25,411	14,155	457,882		

(1) Fees for consulting services paid to an entity associated with Mr Boyer include the sum of $6,000 (2008: $6,000) paid for the provision of equipment and use of geological software.

5.3 Value of options to executives

The value attributable to options granted and vested to executives in January 2007 are calculated using the Black Scholes option pricing model. No cash has been paid to the individuals. This value is based upon the following inputs and assumptions:

a) share price of 19.5 cents at grant date;
b) an estimated volatility factor of 100%;
c) option exercise price of 18.5 cents;
d) a risk free rate of 5.8%; and
e) an expected useful life of 48 months (2 January 2011)

The value of Options will only be realised if and when the market price of the Company shares, as quoted on the Australian Securities Exchange, rises above the Exercise Price of the options. Further details of the options are contained in the section Share Options below.

5.4 Options and rights over equity instruments granted as compensation

The terms of granted options:

Options	Grant Date	Expiry Date	Exercise price	Number of granted options	Number of vested options	Fair value per option
Incentive						
Mr G Balfe	29 Nov 2006	29 Nov 2011	$0.10	1,000,000	1,000,000	$0.068
Mr D Boyer	29 Nov 2006	29 Nov 2011	$0.10	250,000	250,000	$0.068
Mr T Streeter	29 Nov 2006	29 Nov 2011	$0.10	250,000	250,000	$0.068
				1,500,000	1,500,000	
Performance						
Mr G Balfe	29 Nov 2006	29 Nov 2011	$0.20	1,500,000	1,500,000	$0.052
Employee	3 Jan 2007	2 Jan 2011	$0.185	850,000	566,666	$0.127
	19 May 2007	18 May 2011	$0.23	600,000	400,000	$0.104
	*21 July 2009	31 Dec 2013	$0.10	1,450,000	-	$0.014

The Managing Director's Performance options have the following additional terms and conditions to those under the Incentive options;

- The share price must remain at or above 25 cents for 5 consecutive trading days before the options can be exercised.

The Employee Options vest over 3 years. One third of the options vest 12 months from grant, another third vest 24 months from grant and the remaining third vest 36 months from grant.

There were no options granted to Directors or senior executives of the Company during this year and the prior year as part of their remuneration.

*Subsequent to year end, 1,450,000 Employee options were granted to four staff members, including 250,000 granted to the Company Secretary, Mr P MacLeod, to vest over a period of 2.5 years. The fair value for these options was calculated using the Black Scholes option pricing model. This value is based upon the following inputs and assumptions:

a) share price of 2.4 cents at grant date;
b) an estimated volatility factor of 112%;
c) option exercise price of 10 cents;
d) a risk free rate of 5.44%; and
e) an expected useful life of 53 months (31 December 2013)

During the year 600,000 Employee options were forfeited following the resignation of staff. No other options were exercised, forfeited or lapsed during or subsequent to the end of the financial year.

6. SHARE OPTIONS

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

	Expiry Date	Exercise price	Number of shares
Director's Incentive Options	29 Nov 2011	$0.10	1,500,000
Managing Director Performance Options	29 Nov 2011	$0.20	1,500,000
Employee Options	2 Jan 2011	$0.185	850,000
(granted under Employee option scheme)	19 May 2011	$0.23	600,000
	31 December 2013	$0.10	1,450,000
Listed Options	30 Sept 2009	$0.10	48,789,566
	28 May 2011	$0.10	50,216,934
Total share options on issue			**104,906,500**

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

The Company has issued 23 (2008: 1,301,496) ordinary shares as a result of the exercise of listed options during the year and a further 9 since the end of the financial year.

7. AUDIT COMMITTEE

The Company and its Board are not of a size that justifies having a separate Audit Committee. Matters typically dealt with by an Audit Committee are dealt with by the full Board.

8. PRINCIPAL ACTIVITY

The principal activity of the Group during the course of the financial year was mineral exploration in Australia and the Peoples Republic of China.

9. RESULTS OF OPERATIONS

The Group made a loss for the period of $2,591,531 (2008: loss $2,125,948).

10. DIVIDENDS

No dividends were paid or declared by the Company during the financial year.

11. EVENTS SUBSEQUENT TO BALANCE DATE

Subject to shareholder approval at a meeting to be held 5 October 2009, the Company has agreed to acquire Mulga Minerals Pty Ltd from a trust associated with Director Mr Don Boyer for consideration of 6 million ordinary shares and $75,000 cash.

On 21 July the Company granted 1,450,000 Employee options to various employees that are exercisable at $0.10 and expire on 31 December 2013.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

12. LIKELY DEVELOPMENTS

The Company will continue planning and executing exploration work on its existing projects in Australia as well as projects under review in Australia and possibly other countries during the financial year.

13. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and options of the Company as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary shares	Options over ordinary shares			
		Exercisable at $0.10 Expiring 30/09/09	Exercisable at $0.10 Expiring 28/05/11	Exercisable at $0.10 Expiring 29/11/11	Exercisable at $0.20 Expiring 29/11/11
Mr D Boyer	13,807,175	87,500	3,068,262	250,000	-
Mr T Streeter	43,005,100	8,354,672	11,009,267	250,000	-
Mr G Balfe	851,247	100,000	383,611	1,000,000	1,500,000

14. ENVIRONMENTAL REGULATIONS

In the course of its normal mining and exploration activities the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements up to the date of this report. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Company.

15. INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has entered into Director and Officer Protection Deeds (Deed) with each Director and the Company Secretary (officers). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Also pursuant to the Deed, the Company must insure the officers against liability and provide access to all board papers relevant to defending any claim brought against the officers in their capacity as officers of the Company.

The Company has paid insurance premiums during the year in respect of liability for any past, present or future Directors, secretary, officers and employees of the Company or related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance or indemnification for the Auditor of the Company.

16. NON-AUDIT SERVICES

During the year KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and has resolved that it is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporation Act 2001. The non-audit services provided did not undermine the general principles relating to auditor independence as set out in Professional Statement F1 *Professional independence,* as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company and Group, KPMG, and its related practices for audit and non-audit services provided during the year are set out below:

	2009	2008
	$	$
Audit and review of financial reports (KPMG Australia)	67,125	58,150
Taxation advice and compliance services (KPMG Australia)	8,800	25,600
	75,925	83,750

17. LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 28 and forms part of the Directors' report for the financial year ended 30 June 2009.

18. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of Directors, other than that disclosed elsewhere in this report, there were no other significant changes in the state of affairs of the Company and Group that occurred during the financial year under review.

This report is made with a resolution of the Directors:

G Balfe
Director

Perth
30 September 2009

Auditor Independence Statement

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Midas Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Graham Hogg
Partner

Perth

30 September 2009

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Other income		21,158	94,953	21,158	94,953
Marketing expenses		(12,553)	(128,496)	(12,553)	(128,496)
Exploration expenditure written off		(1,121,621)	(657,028)	(1,121,621)	(554,301)
Administrative expenses		(651,655)	(787,219)	(644,355)	(757,552)
Project evaluation and generation expenses		(683,799)	(462,579)	(232,762)	(49,467)
Impairment of intercompany loans	2	-	-	(132,758)	(147,000)
Occupancy expenses		(92,295)	(94,972)	(92,295)	(94,054)
Depreciation	2	(36,619)	(18,810)	(31,326)	(16,896)
Doubtful debts		(3,364)	-	-	-
Other		-	(120,159)	-	(49,786)
Result from operating activities		(2,580,748)	(2,174,310)	(2,246,512)	(1,702,599)
Financial income		129,848	57,696	127,349	47,108
Financial expenses		(140,631)	(9,334)	(140,631)	(9,334)
Net financing (expense)/income	3	(10,783)	48,362	(13,282)	37,774
Loss before tax		(2,591,531)	(2,125,948)	(2,259,794)	(1,664,825)
Income tax benefit	6	-	-	-	-
Loss for the year		(2,591,531)	(2,125,948)	(2,259,794)	(1,664,825)
Attributable to:					
Equity holders of the parent		(2,464,183)	(2,125,948)	(2,259,794)	(1,664,825)
Minority interest	15	(127,348)	-	-	-
Loss for the Year		(2,591,531)	(2,125,948)	(2,259,794)	(1,664,825)
Earning per share attributable to ordinary equity holders of the Company:					
Basic and diluted loss per share	5(b)	(1.15) cents	(1.20) cents		

The income statements are to be read in conjunction with the accompanying notes.

BALANCE SHEETS

AS AT 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Current Assets					
Cash and cash equivalents	7	980,032	2,413,151	972,041	2,403,279
Deposits	7	15,963	342,774	-	-
Trade and other receivables	8	21,236	63,712	21,233	50,831
Other financial assets	9	110,837	295,092	110,837	295,092
Total current assets		1,128,068	3,114,730	1,104,111	2,749,202
Non current assets					
Other financial assets	9	2	2	110	110
Plant & equipment	10	15,123	48,170	15,123	44,029
Exploration and evaluation expenditure	11	9,070,582	9,833,100	9,070,582	9,833,100
Total non current assets		9,085,707	9,881,272	9,085,815	9,877,239
Total assets		10,213,775	12,996,002	10,189,926	12,626,441
Current liabilities					
Trade and other payables	12	90,650	202,256	90,650	188,281
Interest bearing loans and borrowings	13	4,340	89,852	4,340	89,852
Provisions	14	91,110	87,061	91,110	87,061
Total current liabilities		186,100	379,169	186,100	365,194
Total liabilities		186,100	379,169	186,100	365,194
Net assets		10,027,675	12,616,833	10,003,826	12,261,247
Equity					
Issued capital	16	21,286,914	21,286,911	21,286,914	21,286,911
Reserves	17	467,265	533,895	467,265	533,895
Retained losses		(11,726,504)	(9,331,321)	(11,750,353)	(9,559,559)
Total equity attributable to equity holders of the parent		10,027,675	12,489,485	10,003,826	12,261,247
Minority interests	15	-	127,348	-	-
Total equity		10,027,675	12,616,833	10,003,826	12,261,247

The balance sheets are to be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Cash flows from operating activities					
Cash receipts from tenants		21,158	19,953	21,158	19,953
Interest received		80,717	57,696	78,218	47,108
Interest paid		-	(9,334)	-	(9,334)
Foreign exchange gain		49,131	-	49,131	-
Cash payments in the course of operations		(778,953)	(1,045,616)	(767,193)	(963,237)
Net cash used in operating activities	22	(627,947)	(977,301)	(618,686)	(905,510)
Cash flows from investing activities					
Proceeds from option on mineral exploration projects		-	75,000	-	75,000
Exploration expenditure		(359,103)	(1,353,506)	(359,103)	(1,353,506)
Funding of loans to controlled entities		-	-	(132,758)	(135,509)
Payments for evaluation of new projects		(683,799)	(462,579)	(232,762)	(49,467)
Payments for purchase of fixed assets		(3,572)	(13,957)	(2,420)	(13,957)
Net cash used in investing activities		(1,046,474)	(1,755,042)	(727,043)	(1,477,439)
Cash flows from financing activities					
Proceeds from borrowings		-	500,000	-	500,000
Repayment of borrowings		(85,512)	(500,000)	(85,512)	(500,000)
Proceeds from issue of shares		3	4,143,166	3	4,143,166
Costs of capital raising		-	(288,032)	-	(288,032)
Net cash (used by)/from financing activities		(85,509)	3,855,133	(85,509)	3,855,133
Net (decrease)/increase in cash and cash equivalents		(1,759,930)	1,122,790	(1,431,238)	1,472,184
Cash and cash equivalents at 1 July		2,755,925	1,633,135	2,403,279	931,095
Cash and cash equivalents at 30 June	7	995,995	2,755,925	972,041	2,403,279

The statements of cash flows are to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Consolidated	Share capital	Share based payment reserve	Investment revaluation reserve	Accumulated losses	Total	Minority interest	Total equity
Balance at 30 June 2007	17,431,777	320,115	732,996	(7,205,373)	11,279,515	127,348	11,406,863
Revaluation of investment	-	-	(628,918)	-	(628,918)	-	(628,918)
Total income and expense recognised directly in equity	-	-	(628,918)	-	(628,918)	-	(628,918)
Loss for the year	-	-	-	(2,125,948)	(2,125,948)	-	(2,125,948)
Total recognised income and expense	-	-	(628,918)	(2,125,948)	(2,754,866)	-	(2,754,866)
Shares issued for cash	4,143,166	-	-	-	4,143,166	-	4,143,166
Costs of share issue	(288,032)	-	-	-	(288,032)	-	(288,032)
Share based payments	-	109,702	-	-	109,702	-	109,702
Balance at 30 June 2008	21,286,911	429,817	104,078	(9,331,321)	12,489,485	127,348	12,616,833
Revaluation of investment (net)	-	-	(45,039)	-	(45,039)	-	(45,039)
Total income and expense recognised directly in equity	-	-	(45,039)	-	(45,039)	-	(45,039)
Loss for the year	-	-	-	(2,464,183)	(2,464,183)	(127,348)	(2,591,531)
Total recognised income and expense	-	-	(45,039)	(2,464,183)	(2,509,222)	(127,348)	(2,636,570)
Shares issued for cash	3	-	-	-	3	-	3
Share based payments	-	47,409	-	-	47,409	-	47,409
Lapse of employee options	-	(69,000)	-	69,000	-	-	-
Balance at 30 June 2009	21,286,914	408,226	59,039	(11,726,504)	10,027,675	-	10,027,675

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

Company	Share capital	Share based payment reserve	Investment revaluation reserve	Accumulated losses	Total	Minority interest	Total equity
Balance at 30 June 2007	17,431,777	320,115	732,996	(7,894,734)	10,590,154	-	10,590,154
Revaluation of investment	-	-	(628,918)	-	(628,918)	-	(628,918)
Total income and expense recognised directly in equity	-	-	(628,918)	-	(628,918)	-	(628,918)
Loss for the year	-	-	-	(1,664,825)	(1,664,825)	-	(1,664,825)
Total recognised income and expense	-	-	(628,918)	(1,664,825)	(2,293,743)	-	(2,293,743)
Shares issued for cash	4,143,166	-	-	-	4,143,166	-	4,143,166
Costs of share issue	(288,032)	-	-	-	(288,032)	-	(288,032)
Share based payments	-	109,702	-	-	109,702	-	109,702
Balance at 30 June 2008	21,286,911	429,817	104,078	(9,559,559)	12,261,247	-	12,261,247
Revaluation of investment	-	-	(45,039)	-	(45,039)	-	(45,039)
Total income and expense recognised directly in equity	-	-	(45,039)	-	(45,039)	-	(45,039)
Loss for the year	-	-	-	(2,259,794)	(2,259,794)	-	(2,259,794)
Total recognised income and expense	-	-	(45,039)	(2,259,794)	(2,304,833)	-	(2,304,833)
Shares issued for cash	3	-	-	-	3	-	3
Share based payments	-	47,409	-	-	47,409	-	47,409
Lapse of employee options	-	(69,000)	-	69,000	-	-	-
Balance at 30 June 2009	21,286,914	408,226	59,039	(11,750,353)	10,003,826	-	10,003,826

1. SIGNIFICANT ACCOUNTING POLICIES

Midas Resources Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2009 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial report was authorised for issue by the Directors on 30 September 2009.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company and consolidated financial report also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board.

New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied preparing this financial report:

- Revised AASB 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the Group's operations:
  - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;
  - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss;
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred;
  - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss; and
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

  Revised AASB 3, which becomes mandatory for the Group's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statement.
- Amended AASB 127 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments (see note 23). Under the management approach, the Group will present segment information in respect of Exploration.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Statement of compliance (continued)

- Revised AASB 101 *Presentation of Financial Statements* (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Group's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements.
- Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group's 30 June 2010 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore there will be no impact on prior periods in the Group's 30 June 2010 financial statements.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and 2008-6 *Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.
- AASB 2008-7 *Amendments to Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the amendments.
- AI 17 *Distributions of Non-Cash Assets to Owners* provides guidance in respect of measuring the value of distributions of non-cash assets to owners. AI 17 will become mandatory for the Group's 30 June 2010 consolidated financial statements. The Group has not yet determined the potential effect of the Interpretation.

SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation

The financial report is presented in Australian dollars which is the functional and presentation currency.

The financial report is prepared on the historical cost basis except that available for sale financial assets are stated at their fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies have been applied consistently by all entities in the Group.

(c) Going concern

The financial report had been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a loss of $2,591,531 and experienced net cash outflows of $1,759,930. As at 30 June 2009 the consolidated entity has net current assets of $941,968, which includes $995,995 in cash and cash equivalents.

The Company is focused on advancing its exploration tenements in the Lake Carey, Paterson Range and Pilbara regions, with all work planned on these projects aimed at enhancing the project values. The Company will, in order to complete its strategy for the next financial year, secure funds through capital raising from issues to existing shareholders (pro rata offers and/or share purchase plans) and placements to new and existing investors. Funds may also be raised through borrowings if considered appropriate by the Directors and through the realisation of available for sale assets.

Whilst the Directors are confident in securing funds, if sufficient funding is not raised, the Board is able to reduce the Company's ongoing costs and commitments accordingly and, if necessary, will sell or farm out projects as required, to enable it to meet its ongoing commitments.

The Directors have reviewed the consolidated entity's and company's overall position and reasonably expect that the Company will be able to raise additional funds from the equity and/or debt market if required to meet future costs associated with the developments of its projects for at least the next 12 months. The Directors are therefore are of the opinion that the use of the going concern basis is appropriate in the circumstances.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

Joint ventures

Joint ventures are those entities over whose activities the Company and Group has joint control, established by contractual agreement. The interest of the Company and Group in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(e) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Plant & equipment

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (i)).

Depreciation is charged to the income statement on a straight-line basis over their estimated useful lives. The estimated useful lives in the current and comparative periods are as follows:

(i) plant and equipment 3 to 4 years

The residual value, if significant, is reassessed annually.

(g) Investments in equity securities

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in current assets unless management intends to hold the investment for greater than twelve months from the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on quoted bid prices at reporting date.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment (continued)

Financial assets (continued)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in equity.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets (see accounting policy (n)) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Share capital

Ordinary shares

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(l) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Share based payment transactions

The share option programme allows Company and Group employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

(m) Expenses

Net financing income

Net financing income comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and realised foreign exchange gains and losses. Interest income is recognised in the income statement as it accrues, using the effective interest method.

(n) Income tax

Income tax on the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income tax (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision has been made for the present value of the estimated environmental clean up obligations outstanding at the balance sheet date.

(p) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(q) Good and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Exploration and evaluation

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment at each reporting date if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (i)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(s) Critical accounting judgements and key sources of estimation of uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in:

- Note 6 –utilisation of tax losses
- Note 11 – exploration and evaluation expenditure
- Note 14 – provisions
- Note 19 – share based payments
- Note 25 – valuation of financial instruments

	Consolidated		The Company	
	2009	2008	2009	2008
	$	$	$	$

2. EXPENSES

Result from operating activities before income tax expense has been arrived at after charging the following items:

Impairment of intercompany loans	-	-	132,758	147,000
Depreciation of plant & equipment	36,619	18,810	31,326	16,896
Employee costs not capitalised	347,980	543,479	347,980	408,955

3. NET FINANCING INCOME

Interest income	80,717	57,696	78,218	47,108
Realised foreign exchange gain	49,131	-	49,131	-
	129,848	57,696	127,349	47,108
Net change in fair value of available for sale financial assets	(140,631)	-	(140,631)	-
Interest on loans	-	(9,334)	-	(9,334)
	(140,631)	(9,334)	(140,631)	(9,334)
Net financing (expense)/income	(10,783)	48,362	(13,282)	37,774

4. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Auditors' remuneration:				
Audit and review services:				
- Auditors of the Company	67,125	57,950	67,125	57,950
Taxation services:				
- Auditors of the Company	8,800	25,600	8,800	25,600

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $

5. EARNINGS PER SHARE

	Consolidated 2009 $	Consolidated 2008 $
(a) Weighted average number of shares used in calculation of basic and dilutive earnings per share	225,976,244	176,915,299
(b) Basic and dilutive loss per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date.	(1.15) cents	(1.20) cents

Options disclosed in Note 16(b) are potential ordinary shares which are considered anti-dilutive, therefore diluted earnings per share are the same as basic earnings per share.

6. INCOME TAX

(a) Income tax benefit

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Loss for year	(2,591,531)	(2,125,948)	(2,259,794)	(1,664,825)
Prima facie income tax benefit				
Calculated at 30% on the operating loss	(777,459)	(637,784)	(677,938)	(499,447)
Adjusted for:				
Permanent differences	43,072	71,308	81,890	33,791
Deferred tax asset not brought to account	734,387	566,476	596,048	465,656
Income tax benefit attributable to loss from ordinary activities	-	-	-	-

(b) Net deferred tax asset not recognised

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Deductible temporary differences	171,312	161,365	1,004,862	994,313
Assessable temporary differences	(2,721,175)	(2,950,865)	(2,721,175)	(2,950,865)
Income tax losses	5,473,785	5,081,393	5,144,796	4,944,733
Net deferred tax asset not recognised	2,923,922	2,291,893	3,428,483	2,988,181

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from.

		Consolidated		The Company	
		2009	2008	2009	2008
		$	$	$	$
7.	**(a) CASH AND CASH EQUIVALENTS**				
	Cash at bank and on hand (1)	950,032	2,383,151	942,041	2,373,279
	Bank short term deposits (2)	30,000	30,000	30,000	30,000
		980,032	2,413,151	972,041	2,403,279
		%	%	%	%
	(1) Weighted average interest rate.	2.99	6.74	2.99	6.74
	(2) The bank short term deposit matures within 90 days and pays interest at a weighted average interest rate of:	4.00	7.15	4.00	7.15
		$	$	$	$
	(b) DEPOSITS				
	Current				
	Cash at bank and on hand (1)	15,963	186,947	-	-
	Bank short term deposits (2)	-	155,827	-	-
		15,963	342,774	-	-

The current deposits of the Group represent cash held in US dollar and Chinese renminbi bank accounts in the Peoples Republic of China. These funds are available to be used for the Group's operations in China. These funds can be repatriated if required but the process for repatriation is expected to take up to six months from application.

	Consolidated		The Company	
	2009	2008	2009	2008
	%	%	%	%
(1) Weighted average interest rate.	-	1.14	-	-
(2) The bank short term deposits mature within 90 and 180 days and pay interest at a weighted average interest rate of:	-	2.75	-	-

		$	$	$	$
8.	**TRADE AND OTHER RECEIVABLES**				
	Current				
	GST receivable	11,310	13,328	11,310	13,328
	Security deposit	9,926	11,230	9,923	10,336
	Other receivables	3,364	39,154	-	27,167
	Provision for doubtful debts	(3,364)	-	-	-
		21,236	63,712	21,233	50,831

Trade and other receivables are non-interest bearing.

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
9. OTHER FINANCIAL ASSETS				
Current				
Investments in other entities				
Listed shares available for sale	110,837	295,092	110,837	295,092
	110,837	295,092	110,837	295,092

Subsequent to year end the investment in listed shares has increased in value to $234,930 to the date of signing this financial report.

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Non-current				
Investments in controlled entities				
Unlisted shares at cost (note 9a)	-	-	108	108
Loans to controlled entities	-	-	2,926,908	2,794,150
Impairment of loans to controlled entities	-	-	(2,926,908)	(2,794,150)
Other	2	2	2	2
	2	2	110	110

All current and non-current other financial assets are non-interest bearing.

(a) Shares in controlled entities

Name	**Country of Incorporation**	**Percentage held 2009**	**Percentage held 2008**
Parent entity			
Midas Resources Limited			
Subsidiaries			
Midas Metals Asia Pty Ltd	Australia	85%	85%
Midas Mining (China) Limited (held 100% by Midas Metals Asia Pty Ltd)	Peoples Republic of China	85%	85%
Sichuan Precious Metals Limited (held 60% by Midas Mining (China) Limited)	Peoples Republic of China	51%	-
Genesee Gold Mines LLC	USA	100%	100%

		Consolidated		The Company	
		2009	2008	2009	2008
		$	$	$	$
10.	**PLANT & EQUIPMENT**				
	Office equipment and fittings at cost	146,416	144,758	141,124	138,704
	Accumulated depreciation	(131,293)	(96,588)	(126,001)	(94,675)
	Net book value	15,123	48,170	15,123	44,029
	Reconciliation of office equipment is as follows:				
	Opening carrying value	48,170	53,023	44,029	46,968
	Additions	3,572	13,957	2,420	13,957
	Depreciation	(36,619)	(18,810)	(31,326)	(16,896)
	Closing carrying value	15,123	48,170	15,123	44,029
11.	**EXPLORATION and EVALUATION EXPENDITURE**				
	Balance at 1 July	9,833,100	9,137,852	9,833,100	9,033,895
	Exploration and evaluation expenditure additions	359,103	1,352,276	359,103	1,353,506
	Exploration and evaluation expenditure written off (1)	(1,121,621)	(657,028)	(1,121,621)	(554,301)
	Balance at 30 June	9,070,582	9,833,100	9,070,582	9,833,100

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.
(1) Expenditure has been written off following the relinquishment of tenements and/or the withdrawal from joint ventures.

		Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
12.	**TRADE and OTHER PAYABLES**				
	Trade creditors and accruals	90,650	202,256	90,650	188,281

All trade and other payables are non-interest bearing and payable on normal commercial terms.

		Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
13.	**INTEREST BEARING LOANS and BORROWINGS**				
	Unpaid interest accrued on loans (1)	4,340	89,852	4,340	89,852

(1) The Company was advanced $1.2 million pursuant to unsecured loans during August 2005 for the purposes of funding the establishment of a Chinese subsidiary. $1.0 million was advanced from an entity related to a Director, Terry Streeter. The terms of the loan facilities were:

- interest accruing at 8% per annum;
- repayment of up to $700,000 by the issue of shares at 8 cents per share subject to shareholder approval;
- balance of loans repaid in cash at a time as agreed between the parties.

Repayment of $700,000 by the issue of 8,750,000 shares at $0.08 per share was made on 1 December 2005. During the year ended 30 June 2007 the entity associated with Terry Streeter advanced a further $50,000 on the same terms. Payment of the outstanding principal on these loans of $550,000 was made in June 2007 by the issue of 6,875,000 shares at 8 cents per share. Interest accrued on these loans and still outstanding at year end is $4,340 (2008: $89,852).

	Consolidated		The Company	
	2009	2008	2009	2008
	$	$	$	$
14. **PROVISIONS**				
Provision for annual leave and long service leave				
Balance at beginning of year	37,061	-	37,061	-
Provision for annual leave	4,049	37,061	4,049	37,061
Balance at end of year	41,110	37,061	41,110	37,061
Provision for rehabilitation				
Balance at beginning of year	50,000	50,000	50,000	50,000
Provision for rehabilitation of mineral tenements	-	-	-	-
Balance at end of year	50,000	50,000	50,000	50,000
	91,110	87,061	91,110	87,061

Provision has been made for the present value of the estimated environmental clean up obligations outstanding at the balance sheet date.

	Consolidated 2009 $	Consolidated 2008 $
15. **OUTSIDE EQUITY INTERESTS**		
Outside equity interests in controlled entities comprise:		
Minority contribution on incorporation of Sichuan Precious Metal Company Ltd	127,348	127,348
Write back of minority interest to equity holders of parent	(127,348)	-
Total outside equity interests	-	127,348

16. ISSUED CAPITAL

	The Company 2009	The Company 2008
(a) **Share capital**	No.	No.
Ordinary shares		
On issue at 1 July	225,976,233	163,094,169
Issued for cash:		
share purchase plan	-	11,363,628
rights issue	-	50,216,940
Exercise of share options	23	1,301,496
On issue at 30 June – fully paid	225,976,256	225,976,233

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

	The Company 2009	The Company 2008
16. ISSUED CAPITAL	No.	No.
(b) Options outstanding over ordinary shares		
Listed options exercisable at $0.10 each expiring on 30 September 2009	48,789,566	48,789,566
Listed options exercisable at $0.10 each expiring on 28 May 2011	50,216,934	50,216,934
Director's options exercisable at $0.10 each expiring 29 November 2011	1,500,000	1,500,000
Managing Director's performance options exercisable at $0.20 expiring 29 November 2011	1,500,000	1,500,000
Employee options exercisable at $0.185 expiring 2 January 2011 (1)	850,000	1,450,000
Employee options exercisable at $0.23 expiring 18 May 2011 (1)	600,000	600,000
	103,456,500	104,056,500

(1) Options granted pursuant to an Employee Option Plan

All options granted for no consideration.
600,000 (2008: nil) Employee options were forfeited during the year following staff resignations.
No unlisted options were exercised during the period.
Options carry no voting rights until converted to fully paid ordinary shares.

Nil (2008: 1,301,490) listed options exercisable at 10 cents each and expiring 30 September 2009 were exercised during the year.
23 (2008: 6) listed options exercisable at 10 cents each and expiring 28 May 2011 were exercised during the year.

	Consolidated 2009	Consolidated 2008	The Company 2009	The Company 2008
	$	$	$	$
17. RESERVES				
Share based payment reserve (1)				
Balance at beginning of period	429,817	320,115	429,817	320,115
Employee share options issued	47,409	109,702	47,409	109,702
Employee share options lapsed	(69,000)	-	(69,000)	-
	408,226	429,817	408,226	429,817
Investment revaluation reserve (2)				
Balance at beginning of period	104,078	732,996	104,078	732,996
Net decrease in the market value of listed shares available for sale	(45,039)	(628,918)	(45,039)	(628,918)
	59,039	104,078	59,039	104,078
	467,265	533,895	467,265	533,895

(1) The share based payment reserve is used to record the fair value of options issued to Directors and employees under various share based payment schemes.

(2) The investment revaluation reserve is used to record increases in the fair value of available for sale investments.

	Consolidated		The Company	
	2009	2008	2009	2008
	$	$	$	$

18. COMMITMENTS

a) Operating Lease Commitments

Not later than 1 year	117,060	101,526	117,060	97,476
Later than 1 year but not later than 5 years	192,554	64,418	192,554	60,368

The term of the operating lease over the Company's head office is for an initial period of three years with an option to renew the lease for a further period of three years. The option to renew the lease for a further term was taken up during the year. As at the balance date there was a balance of 35 months remaining.
The Company has an operating lease over a storage facility for a period of 4 years. As at balance date there was a balance of 22 months remaining.

b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments within Australia. These obligations are subject to renegotiation when application for a mining lease is made and at other times.

The Group has a minimum expenditure commitment on tenure under its control. The Company can apply for exemption from compliance with the minimum exploration expenditure requirements. Due to the nature and scale of the Company's exploration activities the Company is unable to estimate its likely tenement holdings and therefore minimum expenditure requirements more than 1 year ahead.
These obligations are not provided for in the financial report and are payable:

	Consolidated		The Company	
	2009	2008	2009	2008
	$	$	$	$
Minimum exploration expenditure not later than 1 year	459,027	788,455	459,027	576,340

In 2008, the Group had a minimum initial commitment on the Da Hong Shan project in China to spend 1.4 million Chinese yuan (CNY) during the due diligence stage. The minimum commitment on the joint venture was met. The Group elected not to proceed any further with the project and has no further commitments to the venture.

c) Other Commitments

The Company has entered into a management agreement with Boyer Exploration & Resources Management Pty Ltd (BERM), a company associated with Mr. D Boyer, for a fee of $5,000 (2008: $5,000) per month for management and provision of office furniture and computer systems. The initial term of the agreement was for 3 years commencing on the date the Company listed on ASX, which was 25 February 2003. This agreement was renewed in January 2006.

	Consolidated		The Company	
	2009	2008	2009	2008
	No.	No.	No.	No.
19. EMPLOYEE BENEFITS				
Number of employees at year end	3	5	3	4

Defined contribution superannuation funds
Midas Resources Limited does not have a superannuation fund but makes contributions to defined contribution funds as specified by its employees. The amount paid to these funds for the financial year ended 30 June 2009 was $62,638 (2008: $63,911).

19. EMPLOYEE BENEFITS

Employee option scheme

The Company has an Employee option scheme approved by shareholders. This scheme was approved by shareholders on 29 November 2006. The key features of this option plan are:

a) The plan will be available to officers and employees of the Company and its subsidiaries other than Directors at the discretion of the Board.
b) Options are granted for no consideration.
c) The options are issued at an exercise price as determined by the Board from time to time.
d) The number of shares the subject of options issued under this plan and other similar plans will not exceed 5% of the Company's issued capital from time to time.
e) If a holder ceases to be an employee or officer during the exercise period the holder may exercise the options within 14 days of ceasing to be an employee or officer and thereafter the options will lapse.
f) The options issued under this plan shall not be quoted on ASX.
g) The options are terms are at the discretion of the Directors.
h) At 30 June 2009 there were three employees and one officer eligible for this plan.

Summary of options over unissued ordinary shares granted under the employee option scheme

Grant date	Exercise date on or after	Expiry date	Exercise Price	Number of options at beginning of year	Options granted	Options lapsed/ forfeited	Options exercised	Number of options at end of year	
								On issue	Vested
Consolidated and Company – 2009									
3 Jan 07	3 Jan 08	2 Jan 11	$0.185	483,333	-	200,000	-	283,333	283,333
3 Jan 07	3 Jan 09	2 Jan 11	$0.185	483,333	-	200,000	-	283,333	283,333
3 Jan 07	3 Jan 10	2 Jan 11	$0.185	483,334	-	200,000	-	283,334	-
19 May 07	19 May 08	18 May 11	$0.23	200,000	-	-	-	200,000	200,000
19 May 07	19 May 09	18 May 11	$0.23	200,000	-	-	-	200,000	200,000
19 May 07	19 May 10	18 May 11	$0.23	200,000	-	-	-	200,000	-
				2,050,000	-	600,000	-	1,450,000	966,666
Consolidated and Company – 2008									
3 Jan 07	3 Jan 08	2 Jan 11	$0.185	483,333	-	-	-	483,333	483,333
3 Jan 07	3 Jan 09	2 Jan 11	$0.185	483,333	-	-	-	483,333	-
3 Jan 07	3 Jan 10	2 Jan 11	$0.185	483,334	-	-	-	483,334	-
19 May 07	19 May 08	18 May 11	$0.23	200,000	-	-	-	200,000	200,000
19 May 07	19 May 09	18 May 11	$0.23	200,000	-	-	-	200,000	-
19 May 07	19 May 10	18 May 11	$0.23	200,000	-	-	-	200,000	-
				2,050,000	-	-	-	2,050,000	683,333

The value attributable to the employee option is calculated using the Black Scholes option pricing model. No cash has been paid to the individuals.

This value is based upon the following inputs and assumptions for the options granted 3 January 2007:

a) share issue price of 19.5 cents at grant date;
b) an estimated volatility factor of 100%;
c) option exercise price of 18.5 cents;
d) a risk free rate of 5.8%; and
e) an expected useful life of 48 months (2 January 2011)

The average fair value per option is $0.128.

This value is based upon the following inputs and assumptions for the options granted 19 May 2007:

a) share issue price of 17.5 cents at grant date;
b) an estimated volatility factor of 100%;
c) option exercise price of 23 cents;
d) a risk free rate of 6.05%; and
e) an expected useful life of 48 months (18 May 2011)

The average fair value per option is $0.104.

20. RELATED PARTIES

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive Directors
Mr D Boyer (Chairman)
Mr T Streeter
Executive Directors
Mr G Balfe (Managing Director)
Executives
Mr P MacLeod (Company Secretary)

The key management personnel compensation is as follows:

	Consolidated		The Company	
	2009	2008	2009	2008
	$	$	$	$
Short-term employee benefits	452,681	418,316	452,681	418,316
Post-employment benefits	24,862	25,411	24,862	25,411
Equity compensation benefits	6,472	14,155	6,472	14,155
	484,015	457,882	484,015	457,882

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and executives. Remuneration packages include a mix of fixed remuneration and equity – based fixed and performance remuneration.

Information regarding individual Directors and executives compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the remuneration report section 5.1, 5.2, 5.3 and 5.4 of the Directors' report.

Loans from Directors

During the financial year ended 30 June 2008 Directors or their related entities advanced the Company $500,000 by way of unsecured loans. The advance and accrued interest was repaid from the proceeds of a rights issue during the year ended 30 June 2008. No advances were made during the financial year ended 30 June 2009. No loans or accrued interest were owing to Directors or their related parties at 30 June 2009.

No interest expense was recorded on outstanding loans during the financial year (2008: $9,334).
Refer note 13

20. RELATED PARTIES

Equity instruments

All options refer to options over ordinary shares of Midas Resources Limited, which are exercisable on a one for one basis.

No Director or executive options lapsed or were forfeited in this financial year.

No options were issued to related parties in regard to their employment or provision of services during this financial year.

During the prior financial year, Directors and executives acquired listed options pursuant to a rights issue in proportion to their shareholding at the time of the offer.

Option holdings

The movement during the reporting period in the number of options over ordinary shares in Midas Resources Limited held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

Year ended 30 June 2009	Held at beginning of period	Granted	Purchased	Exercised	Lapsed or Expired	Held at end of period	Vested and exercisable at end of period
Directors							
Mr D Boyer	3,405,762	-	-	-	-	3,405,762	3,405,762
Mr T Streeter	19,613,939	-	-	-	-	19,613,939	19,613,939
Mr G Balfe	2,983,611	-	-	-	-	2,983,611	2,983,611
Executives							
Mr P MacLeod	266,234	-	-	-	-	266,234	182,900
Year ended 30 June 2008							
Directors							
Mr D Boyer	1,638,990	-	3,068,262	1,301,490	-	3,405,762	3,405,762
Mr T Streeter	8,604,672	-	11,009,267	-	-	19,613,939	19,613,939
Mr G Balfe	2,600,000	-	383,611	-	-	2,983,611	1,483,611
Executives							
Mr P MacLeod	250,000	-	16,234	-	-	266,234	99,567

20. RELATED PARTIES

Equity instruments (cont.)

Equity holdings and transactions
The movement during the reporting period in the number of ordinary shares in Midas Resources Limited held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

Year ended 30 June 2009	Held at beginning of period	Purchases	Received on conversion of debt	Sales	Held at end of period
Directors					
Mr D Boyer	13,807,175	-	-	-	13,807,175
Mr T Streeter	43,005,100	-	-	-	43,005,100
Mr G Balfe	851,247	-	-	-	851,247
Executives					
Mr P MacLeod	73,052	-	-	-	73,052
Year ended 30 June 2008					
Directors					
Mr D Boyer	9,166,969	4,640,206	-	-	13,807,175
Mr T Streeter	31,939,015	11,066,085	-	-	43,005,100
Mr G Balfe	300,000	551,247	-	-	851,247
Executives					
Mr P MacLeod	-	73,052	-	-	73,052

21. OTHER RELATED PARTY DISCLOSURE

The Group has a related party relationship with its controlled entities (see note 9(a)).
Transactions between Midas Resources Limited and its controlled entities consisted of:
(i) Loans advanced by Midas Resources Limited. The loans are interest free, unsecured and repayable at call. During the financial year ended 30 June 2009, loans to subsidiaries totalled $2,926,908 (2008: $2,794,150). These loans have been impaired by $2,926,908 at 30 June 2009 (2008: $2,794,150).
(ii) Expenses incurred by Midas Resources Limited are on-charged to controlled entities at cost.
(iii) Administrative services are provided at no cost to the controlled entities.

22. NOTES TO STATEMENT OF CASH FLOWS

	Consolidated 2009 $	Consolidated 2008 $	The Company 2009 $	The Company 2008 $
Reconciliation of loss after income tax to net cash provided by operating activities:				
Loss after income tax	(2,591,531)	(2,125,948)	(2,259,794)	(1,664,825)
Adjustments for:				
Depreciation	36,619	18,810	31,326	16,896
Impairment of intercompany loan	-	-	132,758	147,000
Share based payments	47,409	109,702	47,409	109,702
Exploration expenditure written off	1,121,621	657,028	1,121,621	554,301
Project evaluation and generation expense	683,799	462,579	232,762	49,467
Provision for doubtful debts	3,364	-	-	-
Profit on option over project/tenements	-	(75,000)	-	(75,000)
Impairment of available for sale financial assets	140,631	-	140,631	-
Add/(less):				
Increase in provision for annual leave	4,049	37,061	4,049	37,061
Decrease/(increase) in trade and other receivables	39,112	26,529	29,598	23,154
Increase/(decrease) in trade and other payables	(113,020)	(88,062)	(99,046)	(103,266)
Net cash used in operating activities	627,947	977,301	618,686	905,510

23. SEGMENT INFORMATION

The Company and Group operates predominantly in one business segment, being mineral exploration. The Company and Group is now operating in two geographical segments being Australia and China.

Geographical Segments

30 June 2009	**Australia $**	**China $**	**Other $**	**Total $**
Segment income	148,507	2,499	-	151,006
Segment result/loss after eliminations	(2,259,793)	(331,738)	-	(2,591,531)
Segment assets after eliminations	10,189,926	16,873	6,976	10,213,775
Segment liabilities after eliminations	186,100	-	-	186,100
Non cash expenses:				
Depreciation	31,326	5,293	-	36,619
Exploration expenditure written off	1,121,621	-	-	1,121,621
Project generation costs	232,762	451,037	-	683,799
Capital expenditure	2,420	-	-	2,420
Exploration expenditure	359,103	-	-	359,103

23. **SEGMENT INFORMATION (continued)**

Geographical Segments

30 June 2008	Australia $	China $	Other $	Total $
Segment income	142,061	10,589	-	152,650
Segment result/loss after eliminations	(1,517,825)	(607,187)	(936)	(2,125,948)
Segment assets after eliminations	12,627,374	359,781	8,847	12,996,002
Segment liabilities after eliminations	365,266	13,903	-	379,169
Non cash expenses:				
Depreciation	16,896	1,914	-	18,810
Exploration expenditure written off	554,301	102,727	-	657,028
Project generation costs	49,467	413,112	-	462,579
Capital expenditure	13,957	-	-	13,957
Exploration expenditure	1,352,276	-	-	1,352,276

24. **CONTINGENT LIABILITIES**

The Company's exploration and mining tenements may be subject to Native Title claims.

The Company has a management services agreement in place with BERM, a company associated with Mr Don Boyer. If the agreement is terminated by Midas Resources Limited, the Company shall be liable to pay to BERM $200,000 or if that amount exceeds the amount permissible under Section 237 (6) of the Corporations Act, such lesser amount as is permitted under that section.

25. **FINANCIAL INSTRUMENTS DISCLOSURES**

Overview

The Company and Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

Credit risk (continued)

Trade and other receivables
As the Company operates in the mining explorer sector it does not have significant trade receivables and is therefore not exposed to credit risk in relation to trade receivables.

The Company and Group has established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables and investments particularly in relation to intercompany receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any other counterparty to fail to meet its obligations.

Presently, the Group undertakes exploration and evaluation activities in Australia and China. At the balance sheet date there were no significant concentrations of credit risk other than intercompany receivables which are fully impaired.

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

Consolidated		**Carrying amount**	
	Note	**2009**	**2008**
		$	**$**
Cash and cash equivalents	7	980,032	2,413,151
Deposits	7	15,963	342,774
Trade and other receivables	8	21,236	63,712

Company		**Carrying amount**	
	Note	**2009**	**2008**
		$	**$**
Cash and cash equivalents	7	972,041	2,403,279
Trade and other receivables	8	21,233	50,831

Impairment losses
None of the Company's trade and other receivables are past due or impaired (2008: nil).
The Group has $3,364 trade receivables past due and impaired (2008: nil).

The movement in the allowance for impairment in respect of loans to subsidiaries during the year was as follows:

Company		
	2009	**2008**
	$	**$**
Balance at 1 July	2,794,150	2,647,150
Impairment loss recognised	132,758	147,000
Balance at 30 June	2,926,908	2,794,150

A cumulative impairment loss of $2,926,908 in respect of loans to controlled entities was recognised during the current and prior years owing to uncertainty of recovery. The loans are recorded at nil.

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Group may need to raise additional capital in the next 12 months dependent on exploration activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time. If it considered unlikely that capital can be raised at a suitable price, exploration activities can be modified to ensure adequate levels of cash are maintained.

Typically the Group ensures it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, this excludes the potential impact of extreme circumstances that cannot reasonable be predicted, such as natural disasters.

All financial liabilities are due and payable on terms of no more than 30 days. All financial liabilities are generally settled within stated payment terms.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group has no exposure to currency risk on investments and transactions that are denominated in a currency other than the respective functional currencies of Group entities, being the Australian dollar (AUD) and the Chinese Yuan (CNY).

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

Currency risk (continued)

Exposure to currency risk

The Group's exposure to foreign currency risk at balance date was as follows based on notional amounts:

Consolidated		**30 June 2009**				**30 June 2008**		
In AUD	**USD**	**CNY**	**GBP**	**Total**	**USD**	**CNY**	**GBP**	**Total**
Cash	15,006	7,934	-	22,940	331,608	20,013	-	351,621
Trade and other receivables	-	3,364	-	3,364	-	9,502	-	9,502
Trade payables	-	-	-	-	-	(13,903)	-	(13,903)
Investments	-	-	110,837	110,837	-	-	295,092	295,092
Total exposure	15,006	11,298	110,837	137,141	331,608	15,612	295,092	642,312

Company		**30 June 2009**				**30 June 2008**		
In AUD	**USD**	**CNY**	**GBP**	**Total**	**USD**	**CNY**	**GBP**	**Total**
Trade and other receivables	-	-	-	-	-	-	-	-
Investments	-	-	110,837	110,837	-	-	295,092	295,092
Total exposure	-	-	110,837	110,837	-	-	295,092	295,092

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
AUD 1 =	**2009**	**2008**	**2009**	**2008**
CNY	5.11	6.54	5.54	6.60
USD	0.75	0.90	0.81	0.96
GBP	0.46	0.45	0.49	0.48

Sensitivity analysis

A 10% strengthening of the Australian dollar against the CNY, USD and GBP at 30 June would have increased (decreased) equity and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

	Consolidated		**Company**	
	Equity	**Loss**	**Equity**	**Loss**
	$	**$**	**$**	**$**
30 June 2009	13,714	2,630	11,084	-
30 June 2008	67,012	37,503	29,509	-

A 10% weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

25. FINANCIAL INSTRUMENTS DISCLOSURES (continued)

Interest rate risk

The Group is not exposed to interest rate risk on borrowings as it has no borrowings subject to interest. The Group is exposed to interest rate risk on its term deposits.

Profile

At the reporting date the interest rate profile of the Company's and the Group's interest bearing financial instruments was:

	Consolidated Carrying amount		Company Carrying amount	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Fixed rate instruments				
Financial assets	30,000	185,827	30,000	30,000
Variable rate instruments				
Financial assets	935,995	2,570,098	912,041	2,373,279

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss or equity (2008: nil)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant. The analysis is performed on the same basis for 2008.

Consolidated	**Loss**		**Equity**	
	100bp increase	**100bp** decrease	**100bp** increase	**100bp** decrease
30 June 2009				
Variable rate instruments				
Cash flow sensitivity (net)	15,827	(15,827)	15,827	(15,827)
30 June 2008				
Variable rate instruments				
Cash flow sensitivity (net)	13,536	(13,536)	13,536	(13,536)

Company	**Loss**		**Equity**	
	100bp increase	**100bp** decrease	**100bp** increase	**100bp** decrease
30 June 2009				
Variable rate instruments				
Cash flow sensitivity (net)	14,371	(14,371)	14,371	(14,371)
30 June 2008				
Variable rate instruments				
Cash flow sensitivity (net)	11,250	(11,250)	11,250	(11,250)

25. **FINANCIAL INSTRUMENTS DISCLOSURES (continued)**

Fair values versus carrying amounts
The fair values of financial assets and liabilities are as per the carrying amounts shown in the balance sheet.

Other Market Price Risk

Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's investments are solely in equity instruments. These instruments, other than investments in subsidiaries, are classified as available-for-sale and carried at fair value with fair value changes recognised directly in equity until derecognised.

Refer to note 9 for further details in respect to investment assets held by the Group.

Sensitivity analysis

The Group's equity investments are listed on the AIM market of the London Stock Exchange. A 30% increase in stock prices at 30 June 2009 would have increased equity by $33,251; an equal change in the opposite direction would have decreased equity by an equal but opposite amount.

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk at this stage.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26. **EVENTS SUBSEQUENT TO BALANCE DATE**

Subject to shareholder approval at a meeting to be held 5 October 2009, the Company has agreed to acquire Mulga Minerals Pty Ltd from Director Mr Don Boyer for consideration of 6 million ordinary shares and $75,000 cash.

On 21 July the Company granted 1,450,000 Employee options to various employees that are exercisable at $0.10 and expire on 31 December 2013.

Directors' Declaration

1. In the opinion of the Directors of Midas Resources Limited ("the Company"):

a) the financial statements and notes and the remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Company and the Group as at 30 June 2009 and of their performance, as represented by the results of their operations and their cash flows, for the period ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a); and

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations by the chief executive officer and company secretary for the financial year ended 30 June 2009 pursuant to Section 295A of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors:

G Balfe
Director

Perth

Dated 30 September 2009

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Midas Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the remuneration report

We have audited the Remuneration Report included in section 5 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Midas Resources Limited for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Graham Hogg
Partner

Perth
30 September 2009

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Midas Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Graham Hogg
Partner

Perth

30 September 2009

CORPORATE GOVERNANCE

The primary responsibility of the Board is to represent and advance shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has a set of corporate governance policies and procedures. The corporate governance policies are available on the Company's website at www.midasresources.com.au .

The Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations during the period. Where a recommendation has not been followed that fact has been disclosed, together with the reasons for the departure.

Corporate Governance Compliance

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the recommendations.

Principle 1 – Lay solid foundations for management and oversight

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to the Managing Director/Chief Executive Officer and employees. The Managing Director is responsible for evaluating the performance of staff. During the reporting period a performance evaluation of staff occurred in accordance with the Company's policies.

Principle 2 – Structure the board to add value

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

2.1 The Company does not have a majority of independent directors.

The Board is comprised of three directors, one of whom is an executive director. The two non-executive directors are not considered to be independent as both are substantial shareholders. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive directors. Each individual member of the Board is satisfied that whilst the Board may not comply with this particular recommendation, the Board always acts with independence and in accordance with the Statement of Corporate Governance

2.2 The Chairman is not an independent director.

The Company's Chairman, Mr Donald Boyer, is not considered to not be independent as he is a substantial shareholder and has a relevant interest in a company that has undertaken transactions with the Company during the year. Full details of these transactions are disclosed in the note to the financial statements dealing with related party transactions and in the Directors' Report. Under the Board's corporate governance practices Mr Boyer was excluded from all deliberations and resolutions to do with entering into these transactions. However, the Board believes the Chairman is able and does bring a quality and independent judgement to all relevant issues falling within the scope of the role of a Chairman.

2.3 A separate nomination committee has not been formed.

The full Board considers those matters and issues arising that would usually fall to a Nomination Committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.

Principle 4 – Safeguard integrity in financial reporting

4.1 The Company does not have a separate audit committee.

4.2 The Board does not meet the compositional requirements set out in Recommendation 4.2.

4.3 The Company has not adopted an audit committee charter.

The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and reliability of financial information and non financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control.
At such time when the Company is of sufficient size an audit and risk management committee charter will be adopted and the committee formed.

Principle 7 – Recognise and manage risk

This principle requires the Company to establish a system of risk oversight and management and internal control. The Company recognises the importance of managing risk and continues to put in place systems to assess, monitor and manage risk based on the Company's size, history and strategy. The Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

The Company's Managing Director, subject to the review of the Board, is responsible for the identification of material risks to the business and the design and implementation of internal control systems to manage the identified risks. The Company has an internal control framework that includes the following:

- Financial reporting – there is a comprehensive budgeting and forecasting system with updates provided to the Board at each Board meeting. Monthly actual results are reported to the Board. Quarterly, half yearly and annual financial reports are prepared in accordance with the Corporations Act and ASX Listing Rules.
- The Company has comprehensive written policies covering;
    - Environmental principles
    - Resource development on or near aboriginal land
    - Health, Safety and the Environment
    - Environmental Management and Monitoring

The Managing Director and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects.

Principle 8 – Remunerate fairly and responsibly

8.1 The Company does not have a separate remuneration committee.
The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it more appropriate to set aside time at Board meetings each year to specifically address matters that would ordinarily fall to a remuneration committee.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report is set out below. Information regarding share and option holdings is current as at 20 October 2009.

(a) Ordinary shareholders

Twenty largest holders of ordinary shares	Number of shares	% held
Jungle Creek Gold Mines Pty Ltd *[1]	31,995,833	13.79
David Donald Boyer *[1]	18,795,432	8.10
Velsberry Pty Ltd	11,009,267	4.75
APM Capital Pty Ltd	6,500,000	2.80
G Santalucia Investments Pty Ltd	5,464,286	2.36
Nicolas Charles George Streeter	4,377,677	1.89
Northmead Holdings Pty Ltd	4,187,338	1.80
Leon Zhou	4,100,000	1.77
Velinger Holdings Pty Ltd	3,750,000	1.62
Vasilis Tsallis & Georgia Tsallis	3,325,088	1.52
Metir Pty Ltd	3,290,192	1.42
Super-man Holdings Pty Ltd	3,290,000	1.42
Velinger Holdings Pty Ltd	3,220,952	1.39
Gemranch Pty Ltd	3,000,000	1.29
HSBC Custody Nominees (Australia) Limited	2,564,571	1.11
Karari Australia Pty Ltd	2,500,000	1.08
Misulija Pty Ltd	2,248,858	0.97
Barry Michael Davis	2,228,572	0.96
Hills Market Garden Nominees Pty Ltd	2,050,000	0.88
Glenn Whisson & Tania Whisson	2,000,000	0.86
	119,898,066	**51.78**

*[1] denotes substantial shareholders.

Each fully paid ordinary share entitles the holder to one vote at general meetings of shareholders and is entitled to dividends when declared.

The total number of shares on issue is 231,976,265.

The number of shareholders holding less than a marketable parcel is 174.

There is no current on market buy back.

Distribution of ordinary shareholders

Category of shareholding	Number of shareholders
1 – 1,000	38
1,001 – 5,000	78
5,001 – 10,000	142
10,001 – 100,000	633
100,001 and over	252
Total	**1,143**

(b) Options holders

Twenty largest holders of listed options Expiring 28 May 2011	Number of listed options	% held
Velsberry Pty Ltd	11,009,267	21.92
Super-man Holdings Pty Ltd	3,800,000	7.57
David Donald Boyer	2,462,112	4.90
Super-man Holdings Pty Ltd	2,000,000	3.98
Nicolas Charles George Streeter	1,620,965	3.23
Peter John Garrod	1,347,000	2.68
Comsec Nominees Pty Ltd	1,251,141	2.49
APM Capital Pty Ltd	1,000,000	1.99
Forty Traders Limited	976,936	1.94
Northmead Holdings Pty Ltd	930,520	1.85
Sonlane Investments Pty Ltd & Barry Michael Davis	867,202	1.73
G Santalucia Investments Pty Ltd	760,000	1.51
Vasilis Tsallis & Georgia Tsallis	738,909	1.47
Goffacan Pty Ltd	651,300	1.30
Peter Roy Jones	620,000	1.24
Jonine Maree Jancey	589,915	1.18
Anthony John Vetter	550,000	1.10
Laurence Crowe Consulting Pty Ltd	542,857	1.08
Stadjoy Pty Ltd	537,663	1.07
Barry Michael Davis	528,572	1.05
	32,784,359	**65.28**

These listed options are exercisable at $0.10 each with an expiry of 28 May 2011. There are 50,216,902 options in this class.

Distribution of listed option holders expiring 28 May 2011

Category of option holding	Number of option holders
1 – 1,000	10
1,001 – 5,000	44
5,001 – 10,000	45
10,001 – 100,000	177
100,001 and over	61
Total	**377**

(c) Unquoted securities

The Company has the following unquoted securities on issue.

Category of security	Number	Number of holders
Director's Incentive Options expiring 29 November 2011 exercisable $0.10	1,500,000	3
Managing Director Performance Options expiring 29 November 2011 exercisable $0.20	1,500,000	1
Employee Options expiring 2 January 2011 exercisable at $0.185	850,000	5
Employee Options expiring 19 May 2011 exercisable at $0.23	600,000	1
Employee Options expiring 31 December 2013 exercisable at $0.10	1,450,000	4

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