29 September, 2010

ASX RELEASE

DIAMOND DRILLING TO COMMENCE NEXT WEEK AT INTREPID GOLD PROSPECT LAKE CAREY

HIGHLGHTS

- **All approvals received for clearing of access tracks to the Intrepid drill site**
- **Drill contract signed and drilling expected to commence October 4**
- **Evaluation of the advanced Fortitude gold project is proceeding**

Midas Resources Limited (ASX:MDS), "Midas" or "the Company", is pleased to provide an update on exploration activities at its Intrepid gold prospect at Lake Carey in WA's north eastern goldfields.

Midas is pleased to confirm that it has received all necessary access approvals from the Department of Mines and Petroleum (DMP), and that clearing of tracks and the drill site has commenced.

A diamond drill rig is expected to be drilling by 4th October. The drill program will target a gold anomaly in the south west of the Intrepid region, and follows encouraging results from previous aircore drilling by Midas. Initial assay results from the diamond drilling are expected early in November.

INTREPID

The Intrepid gold target is a significant magnetic feature located between the Bindah and Fortitude shear zones in the north west of the Lake Carey project area (fig 1). There is no outcrop in this area and previous aircore drilling by Midas has demonstrated that the magnetic anomaly is due to iron rich sedimentary rocks that are folded and faulted and dipping shallowly to the north (fig 2). A cluster of aircore drill holes that intersected these deeply weathered iron rich sediments returned anomalous gold results (previously reported and discussed below) in close proximity to the Bindah shear zone. The Bindah shear zone is considered to be an important structure that also controls the distribution of gold mineralisation at the nearby Bindah and Gallant prospects.

The proximity of the iron rich sediments to a major structure such as the Bindah shear zone together with the presence of anomalous gold values in the aircore drill holes identifies this as an ideal setting for gold mineralisation. Ferruginous metasediments are considered to be a very favourable host for gold mineralisation within the overall Laverton Tectonic Zone, including at the 7.7 million ounce Sunrise Dam gold deposit located 35km north of Lake Carey. The coincidence of these rocks with major mineralised structures and gold anomalism at Intrepid is highly encouraging.

PREVIOUS RESULTS

Aircore drilling by Midas in 2007 and in 2008 in the southwest corner of the Intrepid area returned encouraging intersections of 43m @ 0.43g/t Au (incl. 7m @ 2.37 g/t Au at a 0.5g/t cut-off) in hole INAC043 and 30m @ 0.12 g/t Au (incl. 3m @ 1.11 g/t Au at a 0.5g/t cut-off) in hole INAC046. It is not known whether these are apparent widths or true widths, as the orientation of the mineralisation is unclear at this stage. A transect of eight holes on section 452240mE (MGA94), which includes the anomalous holes described above, intersected a thick sequence of highly sheared, ferruginous sediments and volcanic rocks close to a granite contact. Magnetic images indicate that this location is coincident with multiple NW shears. Local deviations in the granite contact and in the shear orientations are considered to be favourable sites for dilation and gold mineralisation.

The first diamond drill hole is planned to test a key stratigraphic section below a row of gold anomalous aircore drill holes in close proximity to the Bindah shear zone (fig 3). The drill hole is expected to be drilled to between 400m and 450m deep. Additional drill holes can be drilled from the same drill site if early results are encouraging.

THE LAKE CAREY PROJECT

In the current high gold price environment the Board is keen to extract maximum value for its advanced Fortitude gold project. A number of parties have expressed interest in the project and confidentiality agreements have been signed with several parties with a view to their evaluating various commercial alternatives including development of the Fortitude Project on its own, or in partnership with others, or disposal of all or part of the Company’s 100% interest in the project on favourable terms. In the mean time the Company continues to progress its exploration strategy at Lake Carey.

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

G D Balfe
Managing Director/CEO

The information in this report that relates to Exploration Results is based on information compiled by Mr Geoff Balfe, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Balfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Balfe consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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Capital Structure

Ordinary Shares (MDS):	286.9 million
Listed Options 10c (MDSOB):	50.2 million
Listed Options 3c (MDSOC):	48.1 million
Unlisted Options:	4.5 million

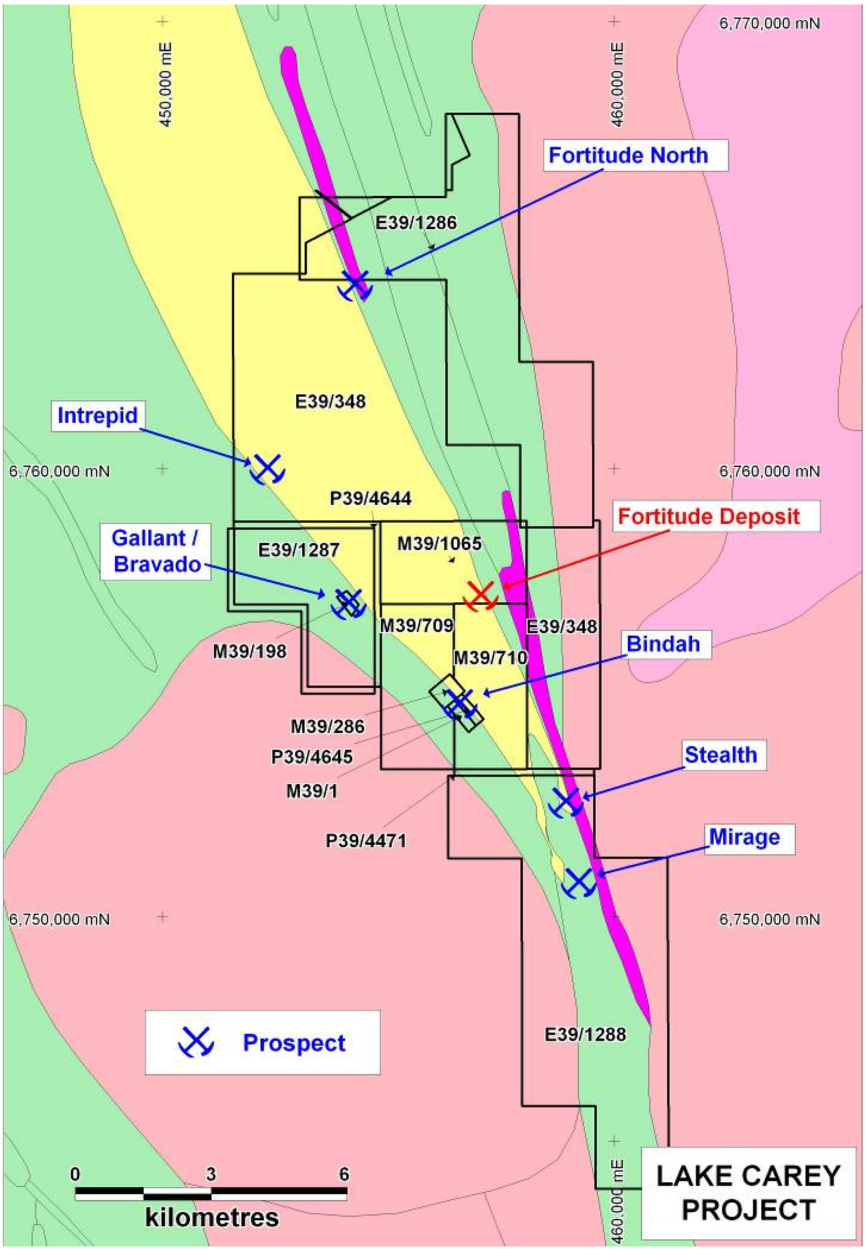

Figure 1. Lake Carey Project area, showing current prospects.

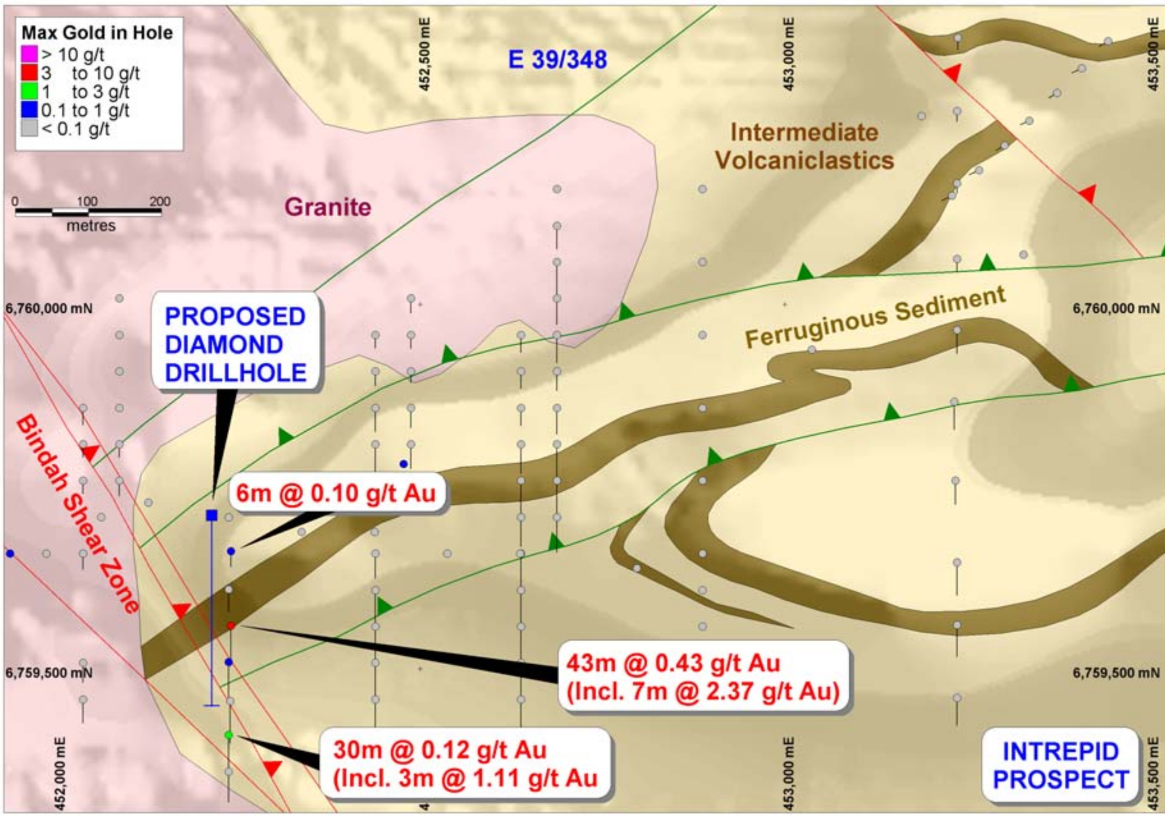

Figure 2. Intrepid Prospect - interpreted geology, magnetic drape and aircore drilling

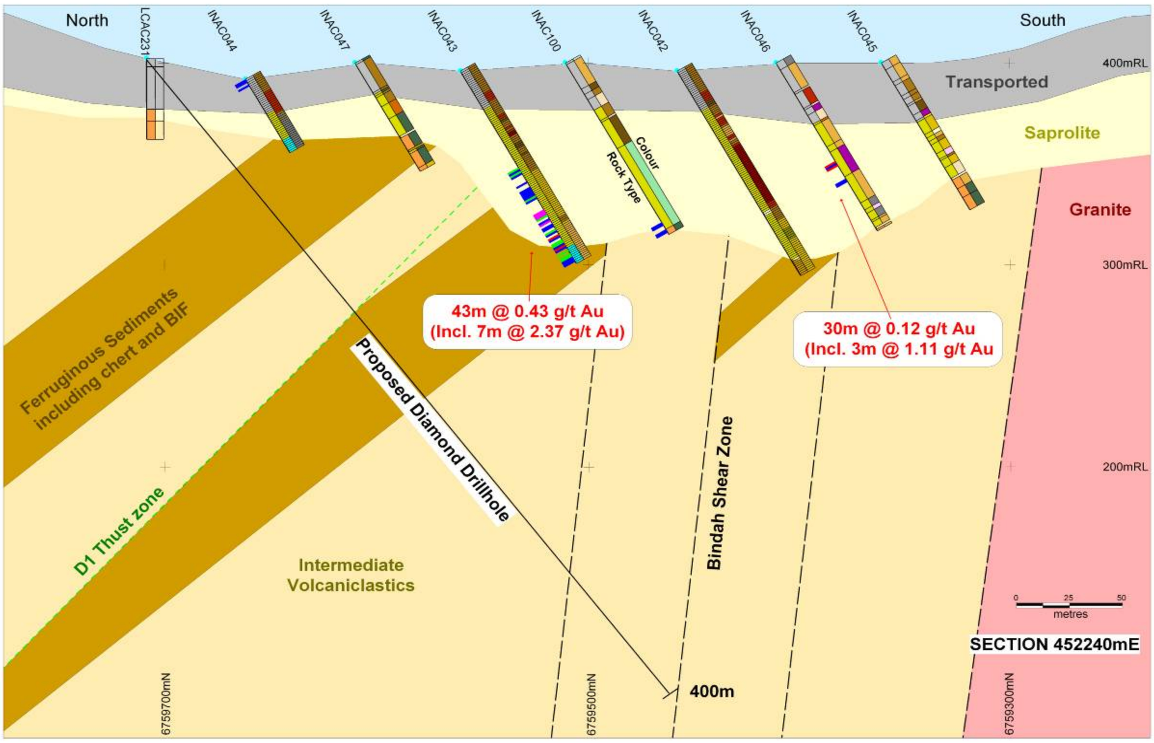

Figure 3. Intrepid Section 452240mE - geology, drilling and proposed diamond drill hole.