Midas Resources Limited

25 July 2011

ASX RELEASE

DRILLING TO COMMENCE AT REACH

HIGHLIGHTS

- **RC Drilling to commence at the Reach Prospect in the Company's Leonora Gold Project area.**
- **All necessary approvals have been obtained.**
- **Rock chip sampling by Midas previously identified strong gold mineralisation in a quartz vein. A six hole, 600m RC program is planned as an initial test of the vein system.**

Resources developer, Midas Resources Limited ("Midas" or "the Company") (ASX: MDS), is pleased to announce the commencement of RC drilling at the **Reach Prospect** at the Company's **Leonora Gold Project** in Western Australia.

The **Leonora Project** (fig 1) comprises mining lease M 37/1297 over gold mineralisation at the **Sunset Well** group of tenements and Exploration Licences E 40/294, E 40/295 and E 37/1104 (M37/1297 and E40/295 and E37/1104 are applications).

Reach Prospect

Midas has conducted a review of historical exploration over the recently granted tenement, E40/294, which revealed several gold anomalies that have not been tested by drilling (fig 2).

One of these anomalous targets is the **Reach** prospect, where Midas previously reported highly anomalous gold values from rock-chip samples from old mine workings (Table A, below).

Table A: Rock Chip Results From Reach

Tenement	Prospect	Easting	Northing	Grid	Sample	Type	Au (ppm)	Au(ppm)*	Au(ppm)*
E 40/294	REACH	344250	6764295	MGA94_z51	E15496	ROCKCHIP	3.36	7.50	15.00
E 40/294	REACH	344250	6764295	MGA94_z51	E15497	ROCKCHIP	3.52	8.10	5.40
E 40/294	REACH	344249	6764296	MGA94_z51	E15498	ROCKCHIP	4.98	5.70	9.00
	Au determined by 50gm Fire Assay								
	* Repeat sample								

The historic workings are located along a 1.5 metre wide north-dipping quartz vein that sub-crops intermittently over a strike length of 100m. A six-hole, 600m RC drilling program is scheduled to commence next month, to test the quartz vein down-dip of the old workings along the exposed, known strike-extent. Additional holes can be drilled to target extensions of the vein along-strike if extensions of the vein are indicated.

All necessary approvals have been obtained including a successful Heritage survey by Native Title (NT) stakeholders and approval for ground disturbance from the Department of Mines and Petroleum.

Wet weather has affected some tracks in the area and continued wet weather could cause minor delays in moving the rig on site.

Other Targets

The Company has identified an area of gold anomalism in historic auger and RAB holes in the **George Bore** area. The previous tenement holders did not drill test this anomaly. Due to the low density of the previous sampling, Midas plans to verify the gold anomaly with more detailed auger or RAB drilling before deciding on an appropriate program of drill testing.

In addition to the targets discussed above, the Company is encouraged by the evidence of significant gold anomalism within the tenements and the very favourable geology and structure of the area between Kookynie and Leonora. A number of additional gold anomalies have been identified by the review of historic exploration and these anomalies are actively being followed up with the objective of establishing a pipeline of drill targets.

With respect to the granting of E40/295 and E37/1104, there are no third party objections to the grant of these tenements. The Company has signed Heritage agreements for both tenements enabling the DMP to process the applications.

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

G D Balfe
Managing Director/CEO

The information in this report is based on information compiled by Mr John Downing, who is a Member of the Australasian Institute of Geoscientists and a full time employee of the Company. Mr Downing 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 Downing consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Media and Investor queries:
Warrick Hazeldine/Ryan McKinlay
Purple Communications
+61 8 6314 6300

Investor Information

<u>Principal Office</u>
Level One
282 Rokeby Road
Subiaco WA6008

Web: www.midasresources.com.au
Tel: 61 8 9388 2211
Fax: 61 8 9388 2600

<u>Capital Structure</u>

Ordinary Shares (MDS):	328.9 million
Listed Options 3c (MDSOC):	48.1 million
Unlisted Options:	4.3 million

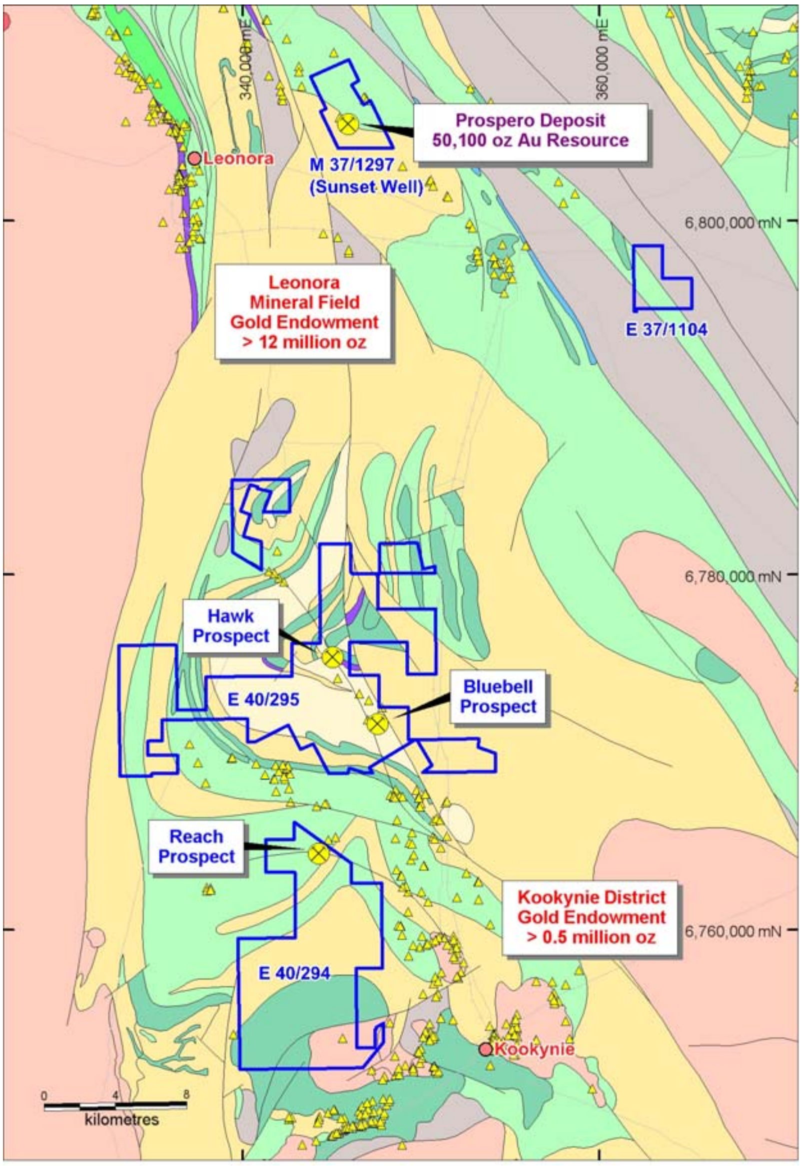

Figure 1 – Leonora Project Tenements

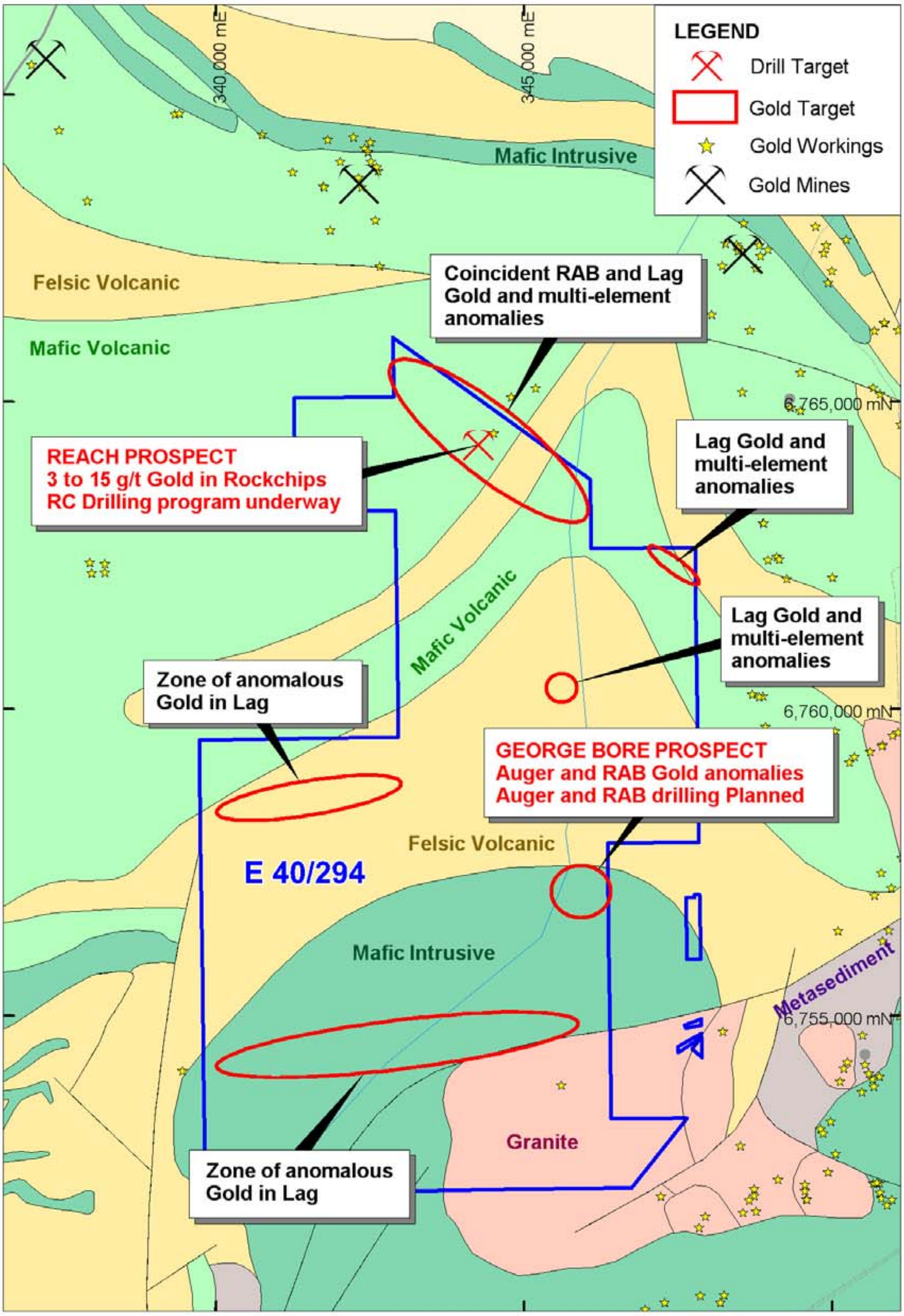

Figure 2 – Gold Targets in E 40/294