



14 September, 2011

ASX RELEASE

**RIGHTS ISSUE SHAREHOLDER LETTER**

Resources developer, Midas Resources Limited ("Midas" or "the Company") (ASX:MDS), is pleased to advise that the following letters were sent to shareholders in accordance with notice requirements for the Company's recently announced renounceable rights issue.

Yours sincerely,

Mark Pitts  
Company Secretary



13 September 2011

Dear Shareholder,

On 9 September 2011, Midas Resources Limited (**Company**) lodged a prospectus with ASIC and subsequently with ASX for a renounceable pro rata rights issue (**Rights Issue**) of eight (8) fully paid ordinary shares (**New Shares**) for every fifteen (15) fully paid ordinary shares held as at 5:00pm (WST) on 23 September 2011 to shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Pursuant to the Rights Issue, the Company will issue up to approximately 173,306,075 New Shares at an issue price of \$0.018 each to raise a maximum of approximately \$3.12 million (before expenses of the issue). The New Shares to be issued under the Rights Issue will rank equally with existing fully paid ordinary shares in the Company.

The Rights Issue is being fully underwritten by Patersons Securities Limited.

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Securities are quoted on an "ex" basis (the "ex" date) and rights trading commences	19 September 2011
Record Date for Rights Issue	23 September 2011
Dispatch Prospectus and serially numbered entitlement and acceptance forms to Eligible Shareholders and announce dispatch has been completed	27 September 2011
Offer opens	27 September 2011
Rights trading ends	5 October 2011
Acceptances close at 5pm	12 October 2011
Notify ASX of under subscriptions	14 October 2011
Dispatch date of holding statements	20 October 2011
Trading commences for New Shares on normal basis	21 October 2011

The above dates are indicative only. The Company, in conjunction with the underwriter, reserves the right to vary the above dates, subject to ASX Listing Rules and the Corporations Act.

The Company intends to apply the proceeds from the Issue (together with the Company's existing cash reserves) towards exploration, drilling, evaluation, and feasibility studies on its Lake Carey and Leonora Gold Projects.

Notwithstanding the above, in the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise benefits to shareholders.



Eligible Shareholders will receive a copy of the prospectus and must complete the Application Form accompanying the prospectus to take up their entitlements. Eligible Shareholders may also apply for additional shares in excess of their entitlement.

Should you have any questions regarding the Rights Issue you may contact the Company on (08) 9388 2211 or consult your stockbroker or professional adviser. A copy of the prospectus may be viewed on the ASX Limited website at [www.asx.com.au](http://www.asx.com.au), or alternatively at the Company's website at [www.midasresources.com.au](http://www.midasresources.com.au).

We look forward to your participation in the Rights Issue.

Yours faithfully

Geoff Balfe  
Managing Director



13 September 2011

Dear Shareholder,

**Renounceable Rights Issue – notification to ineligible shareholders**

On 9 September 2011, Midas Resources Limited (**Company**) lodged a prospectus (**Prospectus**) with ASIC and subsequently with ASX for a renounceable pro rata rights issue (**Rights Issue**) of eight (8) fully paid ordinary shares (**New Shares**) for every fifteen (15) fully paid ordinary shares held as at 5:00pm (WST) on 23 September 2011 to shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**). Pursuant to the Rights Issue, the Company will issue up to approximately 173,306,075 New Shares at an issue price of \$0.018 each to raise a maximum of approximately \$3.12 million (before expenses of the issue).

The Company has decided that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Non-Participating Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the New Shares under the Rights Issue to those shareholders.

Unfortunately, since you are a Non-Participating Shareholder, no offer is being made to you and the Prospectus prepared by the Company in relation to the Rights Issue will not be sent to you. The Company has appointed Patersons Securities Limited (**Patersons**) as nominee to sell all Non-Participating Shareholders' rights. Any such sale will be at a price and be conducted in a manner that Patersons will determine in its absolute discretion.

The proceeds of sale (in Australian dollars) (if any) will be distributed to the Non-Participating Shareholders in proportion to their shareholdings as at the record date (after deducting the costs of the sale and the distribution of the proceeds).

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You do not have to take any further action in relation to the Rights Issue.

Should you have any questions regarding the Rights Issue you may contact the Company on (08) 9388 2211.

Yours faithfully

Geoff Balfe  
Managing Director