18 October, 2011

ASX RELEASE

KEY GOLD TENEMENT E40/295 GRANTED

HIGHLIGHTS

- **Key gold tenement E40/295 which includes the Bluebell prospect has been granted**
- **Midas has defined a number of gold exploration targets in this tenement and has recently announced highly anomalous gold results from sampling of old workings at the Bluebell prospect.**
- **Drill programs are planned for December Quarter subject to the necessary drill and heritage permits having been obtained.**

Midas Resources Limited (ASX:MDS), "Midas" or "The Company", is pleased to provide an update on the status of its tenements in the Leonora area in WA's northern goldfields.

E40/295 has been gazetted as granted. The tenement comprises 48 graticular blocks and it is a key tenement that forms part of the Company's Leonora Gold Project situated between Leonora and Kookynie, approximately 200kms north of Kalgoorlie in Western Australia.

Exploration Targets

E40/295 contains a number of historic gold mines and prospects (fig 1) that are generally associated with northwest trending shear zones and faults. These prospects form part of a corridor of gold mineralisation that extends over 50kms from Kookynie to Leonora. Recent sampling by the Company has also identified strongly anomalous gold values from old mine dumps at **Bluebell** in the southern part of the tenement (see ASX release of 10 October, 2011).

The **Bluebell** target along with other targets in the tenement requires further mapping and sampling prior to a drilling program and the Company's objective is to complete this work and obtain the necessary permits for drilling within the current Quarter. More information will be released to the market as the work proceeds.

THE LEONORA PROJECT

The Leonora Project tenements now exceed 200km2 in area. They include a Mining Lease application at **Sunset Well** where the Company announced an Inferred Mineral Resource of 1,096,000 tonnes at a grade of 1.40 g/t Au for 50,100 oz of contained gold. Exploration is currently focussing on targets in E40/294 and E40/295 including prospects at **George Bore, Hawke,** and **Bluebell** (Fig 1). E40/312 and P40/1282 were recently applied for and the Company announced strong gold sampling results from P40/1282 in the **Kookynie** area on 10 October 2011.

Midas has recently completed a Renounceable Rights Issue and has budgeted 2600m of RC drilling for testing of various targets in the Leonora Project tenements.

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

G D Balfe
Managing Director/CEO

Media and Investor queries:
Warrick Hazeldine/Karen Oswald
Purple Communications
+61 8 6314 6300

The information in this report 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.

Investor Information

Principal Office
Level One
282 Rokeby Road
Subiaco WA6008

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

Capital Structure (after Rights Issue)

Ordinary Shares (MDS):	498.4 million
Listed Options 3c (MDSOC):	47.9 million
Unlisted Options:	4.05 million

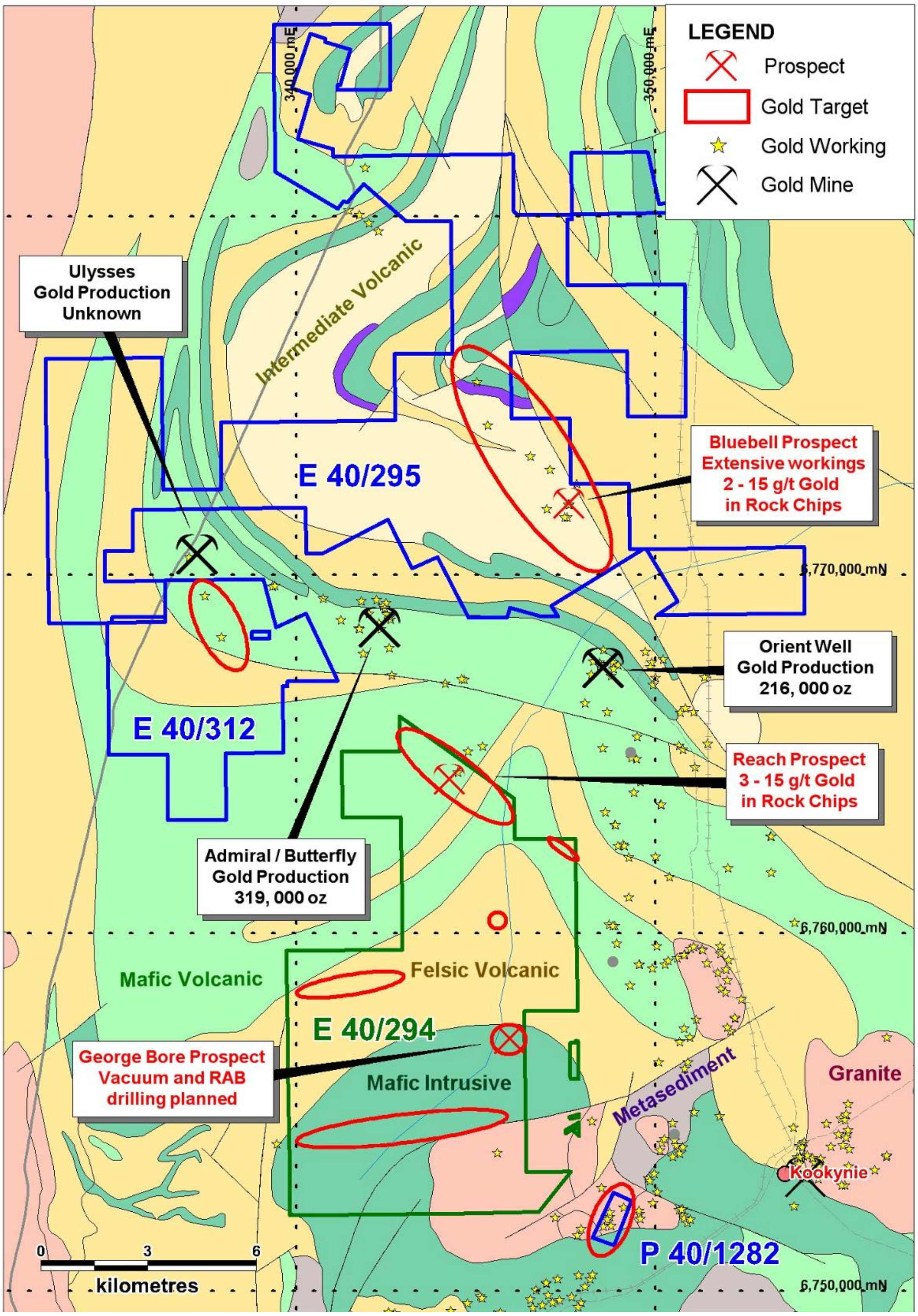

Figure 1 Leonora Project Tenements (excluding Sunset Well)