Midas Resources Limited A.B.N. 87 095 092 158

Level 1, 282 Rokeby Road, Subiaco 6008
PO Box 356, Subiaco, Western Australia 6904
Telephone: +61 8 9388 2211 Facsimile: +61 8 9388 2600
Email: office@midasresources.com.au
Website: www.midasresources.com.au

**26 April 2013**

# FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

Midas Resources Limited (ASX: MDS) (**Midas** or the **Company**) is pleased to confirm an earlier announcement for a fully underwritten renounceable rights issue (**Rights Issue**) of four (4) fully paid ordinary shares (**New Shares**) for every one (1) fully paid ordinary share at a price of 0.1 cents each to raise approximately $2.16 million (before costs).

The Rights issue will be open to shareholders registered as at 5pm WST on 7 May 2013 (**Record Date**) with an address in Australia or New Zealand (**Eligible Shareholders**).

The timetable for the offer is set out below:

**Key Dates**

The proposed timetable for the Rights Issue is as follows:

| | |
|---|---|
| Lodgement Date | 26 April 2013 |
| Rights Trading Commences | 01 May 2013 |
| Record Date to determine Entitlement | 07 May 2013 |
| Prospectus with Application Form dispatched | 09 May 2013 |
| Rights Trading Ceases | 17 May 2013 |
| Closing date for acceptances (5.00pm WST) | 24 May 2013 |
| Determine shortfall | 29 May 2013 |
| Despatch new shareholding statements | 31 May 2013 |
| Trading of New Shares expected to commence | 03 June 2013 |

The Prospectus for the Rights Issue has been lodged with ASIC and is attached together with an Appendix 3B for immediate release.

*- Ends -*

**For more information:**

Mark Pitts Company Secretary
Midas Resources Limited
Level 1, 282 Rokeby Road, Subiaco, Western Australia 6008
Phone: +61 8 9388 2211
Fax: +61 8 9388 2600

*Rule 2.7, 3.10.3, 3.10.4, 3.10.5*

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Midas Resources Limited

ABN

87 095 092 158

We (the entity) give ASX the following information.

## Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

| | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,165,500,956 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares of the Company in accordance with the Company's constitution. |

| | | |
|---|---|---|
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?<br><br>If the additional securities do not rank equally, please state:<br>• the date from which they do<br>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment<br>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | The shares issued under the Rights issue will rank equally with the existing fully paid ordinary shares of the Company from the date of allotment. |
| 5 | Issue price or consideration | $0.001 per share |
| 6 | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets) | The funds to be raised by the Company via the Rights issue will be applied toward exploration, drilling, evaluation, feasibility studies and general working capital for the Company's projects as detailed in the Prospectus dated 26 April 2013 and released to the ASX. |
| 6a | Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?<br><br>If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i | YES |
| 6b | The date the security holder resolution under rule 7.1A was passed | 26 November 2012 |
| 6c | Number of +securities issued without security holder approval under rule 7.1 | NIL |

+ See chapter 19 for defined terms.

| | | |
|---|---|---|
| 6d | Number of +securities issued with security holder approval under rule 7.1A | NIL |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | NIL |
| 6f | Number of securities issued under an exception in rule 7.2 | 2,165,500,956 |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | N/A |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | Issue pursuant to Renounceable pro rata issue exemption LR 7.2 - full 15% and 10% capacity still available |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | 31 May 2013 |

| | | Number | +Class |
|---|---|---|---|
| 8 | Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable) | 2,706,876,195 | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)

| Number | +Class |
|---|---|
| 500,000 | $0.16 option exp 15/11/13 |
| 600,000 | $0.10 option exp 31/12/13 |
| 1,000,000 | $0.02 option exp 12/12/14 |
| 150,000 | $0.02 option exp 26/2/15 |
| 250,000 | $0.10 option exp 26/2/15 |

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

No

12 Is the issue renounceable or non-renounceable?

Renounceable

13 Ratio in which the +securities will be offered

4 new shares for every 1 share held at the 7th May 203 (the record date)

14 +Class of +securities to which the offer relates

Fully paid ordinary shares

15 +Record date to determine entitlements

Tuesday 7th May 2013

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

No

17 Policy for deciding entitlements in relation to fractions

Fractions will be rounded up to the nearest whole shares

18 Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

All countries except Australia and New Zealand.

| | | |
|---|---|---|
| 19 | Closing date for receipt of acceptances or renunciations | 24 May 2013 |
| 20 | Names of any underwriters | Patersons Securities Limited |
| 21 | Amount of any underwriting fee or commission | An underwriting fee of 6% of the total amount underwritten is payable to Patersons Securities Limited. |
| 22 | Names of any brokers to the issue | Not applicable |
| 23 | Fee or commission payable to the broker to the issue | Not applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | Not applicable |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | Not applicable |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | 9 May 2013 |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | 26 April 2013 |
| 28 | Date rights trading will begin (if applicable) | 1 May 2013 |
| 29 | Date rights trading will end (if applicable) | 17 May 2013 |

+ See chapter 19 for defined terms.

| | | |
|---|---|---|
| 30 | How do +security holders sell their entitlements *in full* through a broker? | Complete the section marked "Instructions to Stockbroker" on the back of the application form accompanying the Prospectus and lodge it with your Stockbroker |
| 31 | How do +security holders sell *part* of their entitlements through a broker and accept for the balance? | Complete the application form accompanying the Prospectus by inserting the number of new shares that you wish to accept and complete the section marked "Instructions to Stockbroker" on the back of the form in respect of the part of your entitlement you wish to sell. Forward the form to your stockbroker together with a cheque for the total amount payable in respect of the new shares accepted. |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | Forward a competed renunciation form (obtainable through your Stockbroker or the Company's share registry) together with your application form completed by the transferee together with a cheque for the appropriate application monies to the Companies share registry. |
| 33 | +Despatch date | 31 May 2013 |

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities
(*tick one*)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or*

+ See chapter 19 for defined terms.

*documents*

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

| | | |
|---|---|---|
| 38 | Number of securities for which +quotation is sought | |
| 39 | Class of +securities for which quotation is sought | |
| 40 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?<br><br>If the additional securities do not rank equally, please state:<br>• the date from which they do<br>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment<br>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | |

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

| |
|---|
| |

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

| Number | +Class |
|---|---|
| | |

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ............................................................ Date: 26 April 2013
(Director/Company secretary)

Print name: Mark Pitts

== == == == ==

+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

## Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|---|---|
| ***Step 1: Calculate "A", the base figure from which the placement capacity is calculated*** | |
| ***Insert*** number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue | N/A |
| ***Add*** the following:<br>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2<br>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval<br>• Number of partly paid ordinary securities that became fully paid in that 12 month period<br>*Note:*<br>• *Include only ordinary securities here – other classes of equity securities cannot be added*<br>• *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed*<br>• *It may be useful to set out issues of securities on different dates as separate line items* | |
| ***Subtract*** the number of fully paid ordinary securities cancelled during that 12 month period | |
| **"A"** | |

| | |
|---|---|
| ***Step 2: Calculate 15% of "A"*** | |
| **"B"** | 0.15<br>*[Note: this value cannot be changed]* |
| ***Multiply*** "A" by 0.15 | N/A |
| ***Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used*** | |
| ***Insert*** number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued:<br>• Under an exception in rule 7.2<br>• Under rule 7.1A<br>• With security holder approval under rule 7.1 or rule 7.4<br>*Note:*<br>• *This applies to equity securities, unless specifically excluded – not just ordinary securities*<br>• *Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed*<br>• *It may be useful to set out issues of securities on different dates as separate line items* | |
| **"C"** | |
| ***Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1*** | |
| "A" x 0.15<br>*Note: number must be same as shown in Step 2* | |
| ***Subtract*** "C"<br>*Note: number must be same as shown in Step 3* | |
| ***Total*** ["A" x 0.15] – "C" | *[Note: this is the remaining placement capacity under rule 7.1]* |

+ See chapter 19 for defined terms.

# Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|---|
| **Step 1: Calculate "A", the base figure from which the placement capacity is calculated** | |
| **"A"**<br>*Note: number must be same as shown in Step 1 of Part 1* | |
| ***Step 2: Calculate 10% of "A"*** | |
| **"D"** | 0.10<br>*Note: this value cannot be changed* |
| ***Multiply*** "A" by 0.10 | |
| ***Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used*** | |
| ***Insert*** number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br>*Notes:*<br>• *This applies to equity securities – not just ordinary securities*<br>• *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed*<br>• *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained*<br>• *It may be useful to set out issues of securities on different dates as separate line items* | |
| **"E"** | |

+ See chapter 19 for defined terms.

| ***Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A*** | |
|---|---|
| "A" x 0.10<br>*Note: number must be same as shown in Step 2* | |
| ***Subtract*** "E"<br>*Note: number must be same as shown in Step 3* | |
| ***Total*** ["A" x 0.10] – "E" | *Note: this is the remaining placement capacity under rule 7.1A* |

# MIDAS RESOURCES LIMITED
# ABN 87 095 092 158

# PROSPECTUS

For a renounceable pro rata offer to Eligible Shareholders of approximately 2,165,500,956 New Shares at an issue price of $0.001 per share on the basis of four New Shares for every one Existing Share held, to raise approximately $2,100,000 before issue costs

**Underwriter and Lead Manager**

Patersons Securities Limited

ACN 008 896 311

**Important Notice**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States of America or to, or for the account or benefit of, US persons. The Securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons. No public offering of securities is being made in the United States of America.

## CONTENTS



## SUMMARY OF IMPORTANT DATES

| | |
|---|---|
| Lodgement Date | 26 April 2013 |
| Rights Trading Commences | 01 May2013 |
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| Rights Trading Ceases | 17 May 2013 |
| Closing date for acceptances | 24 May 2013 |
| Determine shortfall | 29 May 2013 |
| Despatch new shareholding statements | 31 May 2013 |
| Trading of New Shares expected to commence | 3 June 2013 |

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and Corporations Act.

## 1 INVESTMENT HIGHLIGHTS

- In the Paterson Province Midas is exploring for big rich IOCG deposits and Nifty style copper deposits. In 2012 Midas diamond drill tested two such targets and IOCG style copper mineralisation was intersected in PADD002 which tested a discrete magnetic anomaly. The magnetic anomaly is interpreted as a granitic intrusion at depth below an IOCG system.
- In 2013 Midas is planning regional gravity surveys with follow-up magnetic and VTEM surveys over selected IOCG and Nifty style targets. The scope of drill programs including number and depth of drill holes will depend on the results of the geophysical surveys and the modelling of results.
- The Company has significant gold Resources in the Lake Carey area including the 356,000 ounce Fortitude gold deposit and the 20,000ounce Gallant satellite deposit. The Company is focussed on increasing its Resources through an aggressive exploration and an acquisitions program. The objective is to establish sufficient Resources for a stand-alone mining development and treatment plant. It is envisaged that a treatment plant would be in a strong position to act as a central point for treatment of ore from a number of gold deposits in the district which at present have limited opportunity for access to nearby treatment facilities.
- Midas has a 100% interest in the Lake Carey Gold Project and the Company has a pipeline of exploration targets on the Lake Carey tenements that are ready for drill testing. Up to six targets are planned for drill testing in an aircore drill program involving between 6,000m and 8,500m. Gold anomalies will be followed up with infill aircore and RC drilling.
- Midas has an extensive tenement package south of Leonora including the 50,000 ounce JORC compliant Inferred gold resource estimate for Prospero at the Sunset Well Project. The Company believes that there is potential to increase and upgrade this resource by infill and extensional drilling, as well as significant exploration potential in the exploration tenements. The Board of Midas has decided to seek expressions of interest for the sale of the Leonora tenements so that the Company can focus on its Lake Carey and the Paterson Projects. The Company has received some indicative expressions of interest, but there are no proposals that are capable of proceeding at this time.
- In 2012 Midas entered into a conditional sale agreement with unlisted company Pilbara Commodities Limited (**Pilbara**) for the sale to Pilbara of Mulga Minerals Pty Ltd including the Pilbara West iron ore project, where Midas has a JORC compliant channel iron Resource estimate (**CID**) of 11.5Mt at 53% Fe. Pilbara has paid Midas a non-refundable deposit of $200k. Under the existing sale agreement Pilbara has until 30 April 2013 to complete the balance of the transaction which requires it to pay consideration of $400k in cash and 4.0 million shares in Pilbara at $0.20 each. At this time, the Company does not believe the sale will complete by 30 April 2013. If the sale is not completed by 30 April 2013, the agreement to sell Mulga Minerals Pty Ltd may be terminated and the sale may not proceed.

## RISK FACTORS

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus. Some of the key risks associated with an investment in the Company are summarised in the following table. This list of risks is not exhaustive. Full details of the risks tabled below and other risk factors are set out in section 9 of this Prospectus. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which its Shares trade on ASX.

| **Risk Area** | **Risks** | **Section Reference** |
|---|---|---|
| Commodity Risk | Once the Company becomes a producer of copper, gold, iron ore or other minerals the revenue of the Company will be derived predominantly from the price of those commodities. Any profit derived through the sale of such commodities will be exposed to commodity price and exchange rate risks. Commodity prices are volatile and can fluctuate sometimes to a large degree in a short period of time. Commodity prices are affected by many factors beyond the control of the Company including retail and industrial supply and demand fluctuations for precious and base metals, change in global economies, confidence in the gold monetary system (with respect to gold prices), technological advancements, forward selling activities of producers and speculators and other macro-economic factors like global, regional, social, political or economic events. | 9.1 |
| Future Capital Requirements | The Company's activities will require substantial expenditures. The funds raised through the Offer are unlikely to be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.<br><br>The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. | 9.10 |
| Mineral Resource Estimates | Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter | 9.13 |

| Risk Area | Risks | Section Reference |
|---|---|---|
| | mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations. | |
| Market Conditions | The market price of New Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. | 9.4 |
| General Risks | Economic risks, exchange rate risks, reliance on key personnel, market conditions, general resource sector risks, regulatory risk and other risks exist in relation to an investment in the Company. | 9.2 |

## IMPORTANT NOTES

This Prospectus is dated 26 April 2013 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus. No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date. The Company will apply to ASX for the Securities to be granted quotation on ASX within 7 days after the date of the Prospectus.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to **section 4.11** for treatment of overseas shareholders. Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus if that information or representation is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors (see **section 9** of this Prospectus) that could affect the performance of the Company before making an investment decision.

Some words and expressions used in this Prospectus have defined meanings which are explained in **section 11**.

## ELECTRONIC PROSPECTUS

A copy of the Prospectus can be downloaded from the website of the Company at www.midasresources.com.au, or the website of the ASX. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company.

## 2 CORPORATE DIRECTORY

**Directors**
Mr John Hopkins
(Chairman, Director)

Mr Geoff Balfe
(Executive Director, Managing Director)

Dr Derek Fisher
(Non-Executive Director)

**Company Secretary**
Mr Mark Pitts

**Auditors**
KPMG*
235 St Georges Terrace
Perth WA 6000

**Registered Office**
Level 1
282 Rokeby Road
Subiaco WA 6008
Telephone: (08) 9388 2211
Facsimile: (08) 9388 2600
**ASX Code**: MDS
**ABN**: 87 095 092 158

**Share Registry**
Advanced Share Registry Services*
150 Stirling Highway
Nedlands WA 6009

Telephone: (08) 9389 8033

**Solicitors**
Sparke Helmore Lawyers
Eastpoint Plaza
Level 11
233 Adelaide Terrace
Perth WA 6000

**Underwriter and Lead Manager**
Patersons Securities Limited
Level 23, 2 The Esplanade
Perth WA 6000

**Web Address**
www.midasresources.com.au

*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in the Prospectus. Their names are included for information purposes only.

# 3 CHAIRMAN'S LETTER

Dear Shareholder

As a Shareholder in Midas Resources Limited ("**Midas**", or the "**Company**") your Directors are pleased to invite you to participate in a renounceable rights issue to raise approximately $2.1 million in funds (before costs) on the basis of the issue of four New Shares at a price of $0.001 per New Share for every one Existing Share held. The funds raised will be used by the Company for the advancement of the Paterson Project and for exploration drilling at Lake Carey and for general working capital purposes.

Our initial exploration in the Paterson Province in 2012 resulted in the diamond drill testing of two separate targets and IOCG style copper mineralisation was discovered by PADD002. Although the copper mineralisation was not ore grade, the drilling has identified IOCG style copper mineralisation and the potential for one or more big mineralised systems. Geophysical surveys are planned in 2013 within the prospective geological corridor and the results will enable sophisticated 3D modelling of the targets to be followed by diamond drilling later in 2013.

A focused drilling program is planned at Lake Carey designed to find additional gold resources to supplement the 385,000ozs at 1.9g/t Au at Fortitude. Between 6,000m and 8,500m of aircore drilling is planned on various targets, mainly on the Fortitude Shear Zone. In addition to exploration, Midas intends to pursue opportunities to expand the Resource base through other means, including acquisitions.

The Rights Issue is underwritten by the Company's Lead Manager, Patersons Securities Limited and the Company has incorporated a 'top up' facility whereby Eligible Shareholders may apply for additional New Shares in excess of their Entitlement at the same price.

Midas considers that it is well placed for both short term and longer term growth that will be driven by exploration success on its core projects at Lake Carey and the Paterson Province. The Paterson project is considered to have the potential to deliver large, valuable projects to meet the strong demand for commodities in Asia. The Fortitude gold project at Lake Carey is an advanced project and the Company will continue to vigorously evaluate options for its development on acceptable terms, and to consolidate its strategic position in the prospective Laverton Tectonic Zone.

These projects require funding in 2013 and beyond. Details of the status of the tenements are set out in this Prospectus and in the Company's 2012 Annual Report.

Your support of this capital raising is important. The proceeds of the Rights Issue will build value and enhance the future of the Company. On behalf of the Board, I invite you to consider the contents of this Prospectus carefully, to consult with your financial advisor and encourage you to participate in the Rights Issue. The Directors have indicated that they will participate in the Rights Issue for the full amount of their Entitlements.

Yours faithfully,

John Hopkins
Chairman

## 4 DETAILS OF THE OFFER

### 4.1 The Issue

A renounceable pro rata offer to Eligible Shareholders of approximately 2,165,500,956 New Shares (assuming no Options are exercised before the Record Date) on the basis of four New Shares for every one Existing Share held as at the Record Date at an issue price of $0.001 each to raise approximately $2.1 million before issue costs.

The Company currently has 541,375,239 Existing Shares on issue. Shareholders holding the Existing Shares will be entitled to participate in the Offer, which will result in the issue of 2,165,500,956 New Shares and the amount raised will be $2,165,501 (before Issue costs).

The capital structure of the Company will be affected as follows:

| Issue of Shares | Capital Structure |
|---|---|
| Existing Shares | 541,375,239 |
| Issue of New Shares | 2,165,500,956 |
| **Total** | 2,706,876,195 |

### 4.2 No Minimum Subscription

There is no minimum subscription for the Offer.

### 4.3 Underwriting

The Issue is fully underwritten by Patersons Securities Limited. If Eligible Option Holders exercise their Options prior to the Record Date, the additional amount will be subject to the Underwriting Agreement. A summary of the Underwriting Agreement is set out in section 10.2 of the Prospectus.

### 4.4 Entitlement to Rights Issue

Eligible Shareholders who are on the Company's Share Register at the close of business on the Record Date are eligible to participate in the Offer.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

An Application Form setting out your Entitlement to New Shares accompanies this Prospectus.

### 4.5 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in **section** 6 and on the Application Form which accompanies this Prospectus.

### 4.6 Rights Trading

The Rights to Securities are renounceable, which enables Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Trading of Rights on the ASX is expected to commence on 1 May 2013 and end on 17 May 2013.

### 4.7 Applying for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding.

Entitlements not taken up may become available as Additional New Securities. It is possible, particularly if there is an active Rights trading market, that there will be few or no Additional New Securities available for issue. It is an express term of the Offer that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest. The Company and the Underwriter reserve the right to scale back any applications for Additional New Securities in their absolute discretion.

### 4.8 Effect of the Offer on Control of the Company

As at the date of this Prospectus, the Underwriter does not beneficially hold any Shares in the Company. The Underwriter is not a related party as defined in section 228 of the Corporations Act.

The Underwriter has entered into various sub-underwriting agreements with sub-underwriters (**"Sub-underwriters"**) and the Offer is fully sub-underwritten. In the event that Shareholders do not take up some or all of their Entitlements under the Offer, then a shortfall will result and the Sub-underwriters will be entitled to subscribe for the Shortfall Shares.

As the Offer is fully sub-underwritten, the Underwriter will not acquire voting power in the Company as the result of a shortfall. In the event that there is a 100% shortfall (i.e. no Shareholder applies for its Entitlement), then no Sub-underwriter will acquire voting power in the Company of more than 20%. Section 606 of the Corporations Act provides that a person cannot acquire a relevant interest in issued voting shares in a company if because of the transaction, a person's voting power in the company increases from 20% or below to more than 20% (or increases from a starting point that is above 20% and below 90%). The latter does not apply as there is no Shareholder with a current relevant interest above 20%.

There are exceptions to that prohibition, including an acquisition pursuant to a rights issue (if the conditions of item 10 of s611 of the Corporations Act are satisfied). That exception extends to any underwriter or sub-underwriter to the issue. If the exception in item 10 of s611 is to be relied upon then s615 regarding appointment of nominee must be complied with, which includes a requirement for ASIC to approve the nominee.

As the Offer will not impact on the control of the Company and the exception under item 10 of s611 will not be relied upon, s615 does not apply and the Company is not intending to make an application under s615 of the Corporations Act.

### 4.9 Allotment and Application Money

New Shares will be issued only after all Application Money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that the New Shares will be issued on 31 May 2013 and normal trading of the New Shares on ASX is expected to commence on 3 June 2013.

All Application Money received before New Shares are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

Application will be made within seven days of the date of issue of this Prospectus for the New Shares to be granted Official Quotation by ASX. If such an application is not made within these seven days, or Official Quotation of the New Shares is not granted by ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Shares and all

Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

If the New Shares are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Money in full.

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. ASX takes no responsibility for the contents of this Prospectus.

### 4.10 Offer Outside Australia and New Zealand

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Securities or the Offer or otherwise to permit an offering of the Securities in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia). This document is not an offer of securities for sale into the United States of America or to, or for the account or benefit of, US persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons. No public offering of securities is being made in the United States of America.

### 4.11 Treatment of Overseas Shareholders

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not Existing Shareholders on the Record Date are not entitled to apply for any Securities.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

The Company has appointed the Underwriter (or an associate of the Underwriter) as nominee to sell the Non-qualifying Foreign Shareholders' Rights. The Underwriter (or an associate) will only sell those Non-qualifying Foreign Shareholders' Rights if there is a viable market in those Rights and a premium over the expenses of sale can be obtained.

Any such sale will be at a price and be conducted in a manner that the nominee will determine in its absolute discretion.

The proceeds of sale (in Australian dollars) will be distributed to the Non-qualifying Foreign Shareholders for whose benefits the Non-qualifying Foreign Shareholders' Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the distribution of the proceeds), save that individual amounts of less than $10 will be retained by the Company.

Neither the Company nor the nominee will be liable for any failure to sell the Rights or to sell the Rights at any particular price. If there is no viable market for the Rights of the Non-qualifying Foreign Shareholders, their Entitlement will be allowed to lapse and the relevant Securities will become Shortfall Shares, to be dealt with by the Underwriter in accordance with the Underwriting Agreement.

### 4.12 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

| | 3 months high | 3 month low | Last market sale price |
|---|---|---|---|
| **Existing Shares** | $0.01 on 29 January 2013 | $0.004 on 18 April 2013 | $0.004 on 18 April 2013 |

### 4.13 Opening and Closing Dates

The Offer will open for receipt of acceptances on 10 May 2013 and will close on 24 May 2013, subject to the right of the Company to vary these dates.

### 4.14 CHESS

The Company participates in the Clearing House Electronic Sub-register System ("**CHESS**"). ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASTC Settlement Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### 4.15 Rights and Liabilities attaching to the New Shares

The New Shares will rank equally in respect of dividends and in all other respects (e.g. voting, bonus issues) as Existing Shares.

A summary of the rights and liabilities attaching to the New Shares is set out in **section 8**.

### 4.16 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Issue or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Issue. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Issue.

### 4.17 Enquiries

Any questions concerning the Issue should be directed to Mr Mark Pitts, the Company Secretary, on (08) 9388 2211 (Midas) or (08) 9316 9100 (Endeavour Corporate).

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 8 9389 8033.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

# 5 PURPOSE AND EFFECT OF THE ISSUE

## 5.1 Purpose of the Issue

The purpose of the Issue is to raise approximately $2.1 million before costs.

The Directors intend to apply the proceeds from the Issue (together with the Company's existing cash reserves) for exploration, drilling, evaluation, feasibility studies and for general working capital in accordance with the table set out below.

The table assumes that Entitlements are taken up in full and no Options are exercised before their expiry date.

| Proceeds of the Issue | **$** |
|---|---|
| Lake Carey Project – Exploration Drilling | 0.40 million |
| Lake Carey - Fortitude Gold Project – Mining Study | 0.15 million |
| Paterson Project – Geophysics and Modelling of Drill Targets | 0.40 million |
| Working Capital Requirements | 0.7 million |
| Discharge of Director loans including interest | 0.2 million |
| Costs of the Issue | 0.26 million |
| **ESTIMATED TOTAL (rounded)** | 2.1 million |

Actual expenditure incurred on the projects will depend on the results achieved. 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.

John Hopkins and entities associated with Geoff Balfe and Don Boyer have lent the Company $200,000 for working capital purposes which are to be repaid on or about the time of the rights issue. The total principal amount outstanding is $200,000. The loans accrue interest on the balance at the rate of the NAB Base Lending Rate. The loan agreements in respect of each loan provide that, at the lenders' election the loan may be discharged by the issue of Shares to the lender as part of the Issue under this Prospectus. The subscription price would be paid, in part, by the discharge of the amount owed to the lender by the Company. More details are set out at paragraph 10.2.

Velsberry Pty Ltd (**Velsberry**) is an entity controlled by Terry Streeter, who was a director of the Company until 8 April 2013. Velsberry and the Company are also parties to a loan agreement dated 12 September 2012. Under that agreement Velsberry lent the Company $200,000. An amount equal to $60,000 has been repaid by the issue of Shares to Velsberry on 25 October 2012. It is intended that the remaining $140,000 plus unpaid interest will be repaid by an issue of approximately 14,000,000 Shares to Velsberry as soon as that is permissible by the Company under the Corporations Act and the Listing Rules. The Company expects that to be no later than 8 October 2013.

## 5.2 Effect of the Issue and Pro Forma Statement of Financial Position

The effect of the Issue will be (assuming Entitlements are taken up in full) that:

(a) cash reserves will initially increase by up to approximately $1.5 million (after issue costs); and

(b) the number of Shares on issue will increase from 541,375,239 to 2,706,876,195.

## 5.3 Statement of Financial Position

Set out below is the Consolidated Statement of Financial Position of the Company as at 31 March 2013 (unaudited), and the Consolidated Pro-Forma Statement of Financial Position as at 31 March 2013 (unaudited) assuming full subscription on the basis of the assumptions detailed further. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the unaudited financial report for the 6 month period ended 31 March 2013.

| | Consolidated Actual 31 March 2013 (unaudited) $ | Consolidated Pro-Forma Full Subscription 31 March 2013 (unaudited) $ |
|---|---|---|
| **Current Assets** | | |
| Cash and cash equivalents | 161,076 | 1,790,554 |
| Deposits | 15,000 | 15,000 |
| Trade and other receivables | 37,596 | 37,596 |
| Other financial assets | 42,926 | 42,926 |
| Assets held for sale | 1,217,608 | 1,217,608 |
| **Total current assets** | **1,474,206** | **3,103,684** |
| **Non Current Assets** | | |
| Other financial assets | 2 | 2 |
| Plant & equipment | 37,635 | 37,635 |
| Exploration and evaluation expenditure | 11,212,078 | 11,270,078 |
| **Total non current assets** | **11,249,715** | **11,307,715** |
| **Total Assets** | **12,723,921** | **14,411,399** |
| **Current Liabilities** | | |
| Trade and other payables | 244,776 | 244,776 |
| Deferred Income | 200,000 | 200,000 |
| Interest bearing loans and borrowings | 150,593 | - |
| Provisions | 193,638 | 193,638 |
| **Total current liabilities** | **789,007** | **638,414** |
| **Total Liabilities** | **789,007** | **638,414** |
| **Net Assets** | **11,934,914** | **13,772,985** |
| **Equity** | | |
| Issued capital | 27,764,361 | 29,669,432 |
| Reserves | 113,772 | 113,772 |
| Retained losses | (15,943,219) | (16,010,219) |
| **Total equity attributable to equity holders of the parent** | **11,934,914** | **13,772,985** |
| **Total Equity** | **11,934,914** | **13,772,985** |

## Assumptions for Unaudited Pro forma Balance Sheet

The Pro-Forma Balance Sheet has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 March 2013 and the close of the Issue other than the following:

- Increase in cash of $1.5 million from the Issue after cost of the Issue and repayment of loans.
- Repayment of loans of $0.2 million.
- Midas issues 2,165,500,956 New Shares at $0.001 per New Share pursuant to the Offer. The Issue will raise approximately $2.1 million before issue costs.
- Adjustment for estimated cash used from 31 March 2013 to date of this report for continuing operations of the Company of $0.125 million.

- No Options are exercised prior to the Record Date.

## 5.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Issue is set out below, assuming that the Issue is fully subscribed.

**Capital Structure after Completion of Issue**

| **Shares** | |
|---|---|
| 541,375,239 | On issue at the date of this Prospectus |
| 2,165,500,956 | Issued pursuant to this Prospectus |
| 2,706,876,195 | Total issued capital after Completion of Issue |

| **Options** | |
|---|---|
| 500,000 | Unlisted Managing Director incentive Options exercisable at $0.16 on or before 15 November 2013 |
| 1,000,000 | Unlisted Director's Options exercisable at $0.02 on or before 12 December 2014 |
| 600,000 | Unlisted employee Options exercisable at $0.10 on or before 31 December 2013 |
| 150,000 | Unlisted employee Options exercisable at $0.02 on or before 26 February 2015 |
| 250,000 | Unlisted employee Options exercisable at $0.10 on or before 26 February 2015 |

# 6 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

## 6.1 What you may do

As an Eligible Shareholder, you may:

- subscribe for all of your Entitlement (refer **section 6.2**);
- apply for Additional New Securities (refer **section 6.3**);
- sell all of your Entitlement on ASX (refer **section 6.4**);
- take up part of your Entitlement and sell the balance on ASX (refer **section 6.5**);
- deal with part or all of your Entitlement other than on ASX (refer **section 6.6**); or
- allow all or part of your Entitlement to lapse (refer **section 6.7**);

## 6.2 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of New Shares you are entitled to subscribe for. The completed Application Form must be accompanied by a cheque or bank draft made payable to "Midas Resources Limited – Rights Issue" and crossed "Not Negotiable" for the appropriate Application Money in Australian dollars calculated at $0.001 per New Share accepted, and received by the Company at either of the following addresses by no later than 5.00 pm (WST) on 24 May 2013. The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

| Street Address: | Postal Address: |
|---|---|
| Advanced Share Registry Services<br>150 Stirling Highway<br>Nedlands WA 6009 | Advanced Share Registry Services<br>PO Box 1156<br>Nedlands WA 6909 |

Alternatively, if you are paying by Bpay, refer to your personalised instructions on your Application Form.

## 6.3 To apply for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding. Refer to **section 4.7** if you wish to apply for Additional New Securities.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Securities you wish to apply for as stated on the Application Form.

Alternatively, if you are paying by Bpay, refer to your personalised instructions on your Application Form.

### 6.4 If you wish to sell all of your Entitlement

Complete the section marked "**Instructions to Stockbroker**" on the back of the Application Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 1 May 2013. Sale of your Rights must be completed by 17 May 2013 when Rights trading is expected to cease.

### 6.5 If you wish to take up part of your Entitlement and sell the balance

Please complete the Application Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept (being less than as specified on the Application Form) and complete the section marked "**Instructions to Stockbroker**" on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Application Form reaches the Company's Share Registry, by 5.00 pm (WST) on 17 May 2013.

Cash will not be accepted and no receipts will be issued.

Alternatively, if you are paying by Bpay, refer to your personalised instructions on your Application Form.

Rights trading will commence on ASX on 1 May 2013. Sale of your Entitlements must be completed by 17 May 2013 when Rights trading is expected to cease.

### 6.6 If you wish to transfer your Entitlement other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed Renunciation Form (obtainable through your stockbroker or the Company's share registrar) together with your Application Form completed by the transferee together with a cheque for the appropriate Application Monies to reach the Company's Share Registry (at the address shown on the previous page), by 5.00 pm WST on 17 May 2013.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

### 6.7 Entitlements not taken up

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement will become available to Eligible Shareholders as Shortfall Shares to be applied for.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

Your Entitlement may have value and accordingly you should consider renouncing (selling) your Rights, rather than allowing them to lapse.

The Company and the Underwriter will deal with any New Shares not accepted in accordance with the Underwriting Agreement.

**If you have any queries concerning your entitlement or allocation, please contact:**

**Mr Mark Pitts, the Company Secretary**
**Tel**: (08) 9388 2211 **Fax**: (08) 9388 2600
**Or**
**Endeavour Corporate**
**Tel:** (08) 9316 9100

**or contact your stockbroker or professional adviser.**

## 7 OVERVIEW OF WESTERN AUSTRALIAN PROJECTS

### 7.1 Paterson Project (100% Midas)

#### (a) Overview

Midas has established a significant tenement holding in the Paterson Province which is in the East Pilbara District of WA. The tenements are located in proximity to several major mineral deposits including Telfer (Au), Nifty (Cu), and Kintyre (U). The Paterson Province is a multi-metal province with potential for big valuable mineral deposits. Midas is focussing on copper-gold deposits and has a total tenement holding of 1,343km$^2$ with 1,088km$^2$ granted. The Midas tenements are considered to have potential for two main types of mineral deposits (Fig 1):

- IOCG copper-gold deposits associated with a major structure along the west side of the Yeneena Basin, and
- Nifty type copper deposits in key sections of the Broadhurst Formation.

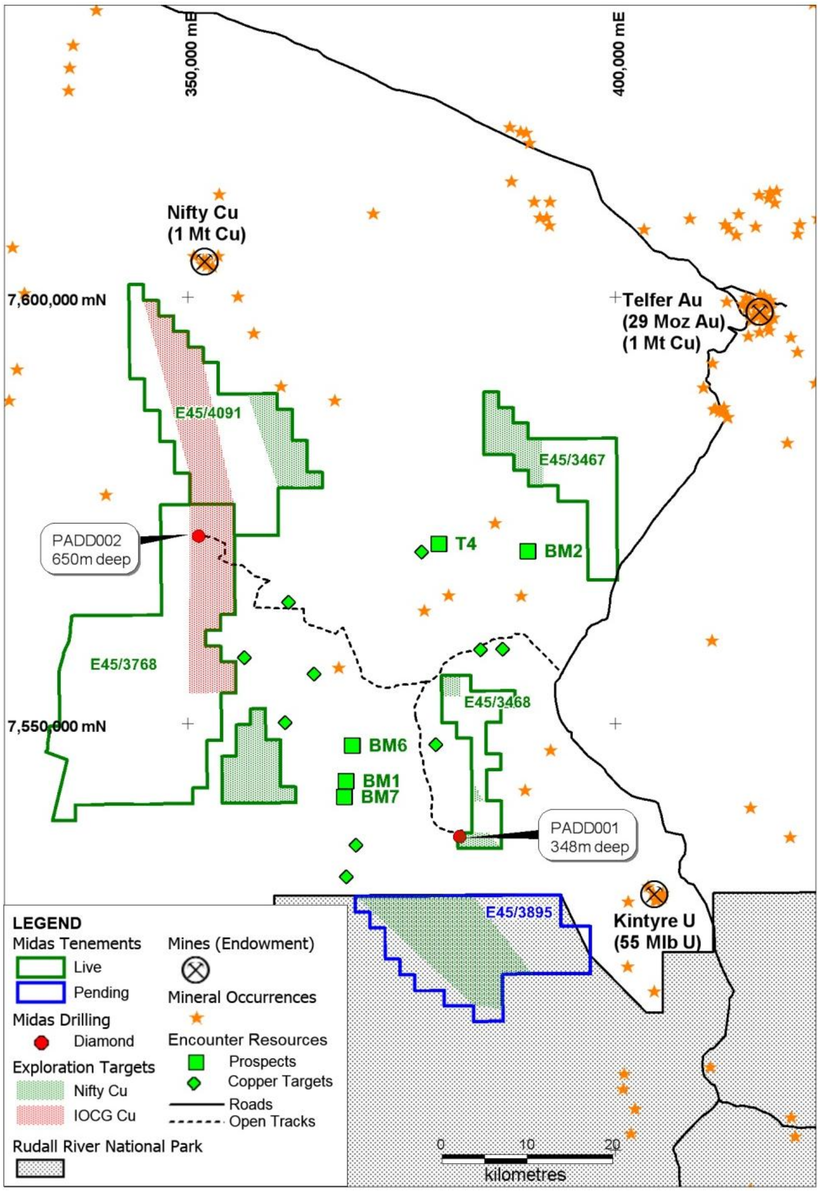


Fig 1. Midas Tenements and Exploration Target Areas

### (b) IOCG Targets

During 2012 Midas drilled two diamond holes (Fig 1) to test IOCG and Nifty target types and discovered IOCG style copper mineralisation in PADD002. PADD001 intersected pyritic carbonaceous sediments (Broadhurst Formation) but no copper mineralisation.

PADD002 was targeted on a discrete, 2km diameter magnetic anomaly (Fig 2) interpreted as a buried granitic intrusion that could be related to an IOCG system. The drill hole intersected a thick sequence of breccia and conglomerate that is derived from the Archaean craton to the west. This is indicative of proximity to a very major structure known as the Vines Fault. Midas considers the breccia, due to its fragmental nature, to be an excellent host rock for mineralisation. Hematite occurred throughout the drill hole and disseminated copper sulphides were present from 330m to end of hole. Fracturing and quartz veining generally increased down-hole, with strong quartz-carbonate-hematite veining appearing at around 550m, which also carried native copper. It is interpreted that the drill hole intersected a steep set of quartz veins and fractures related to an intrusion below. The Company believes that further drilling on this target may be warranted depending on the results of planned geophysical surveys in the area.

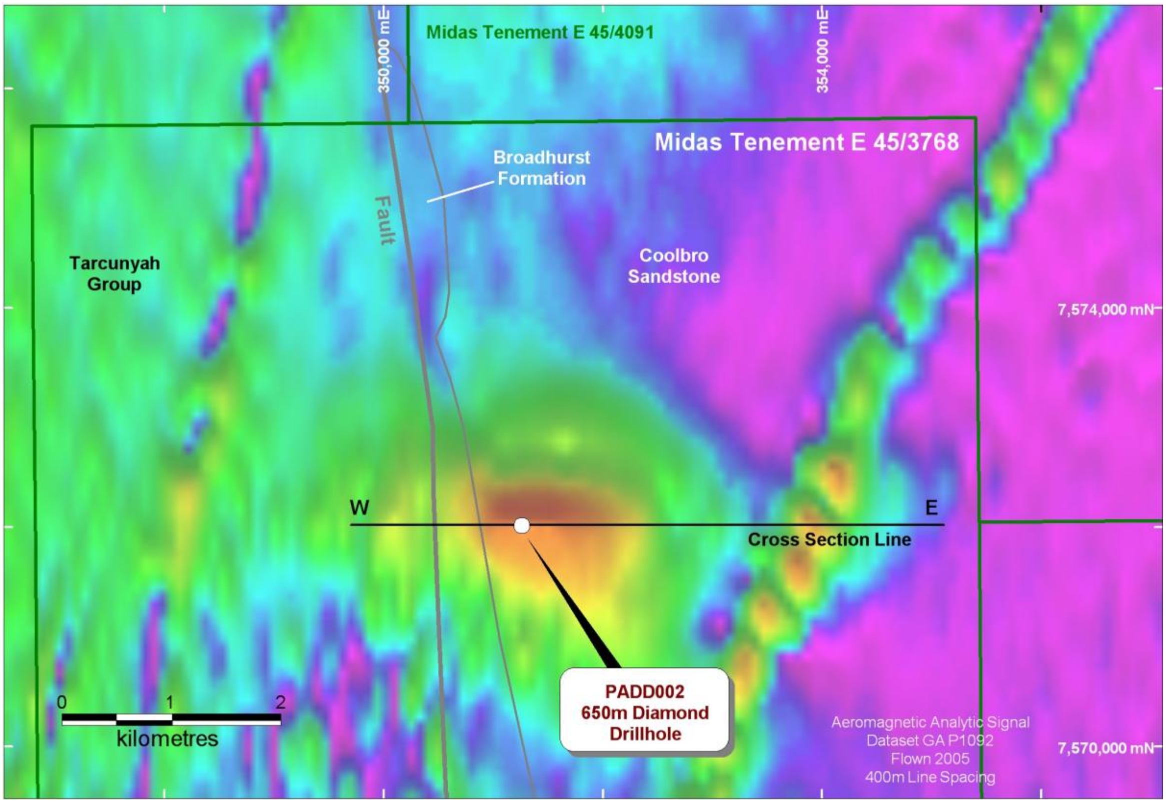


Fig 2. Magnetic Anomaly (IOCG) Target for PADD002

The results of PADD002 are shown in Fig 3, below.

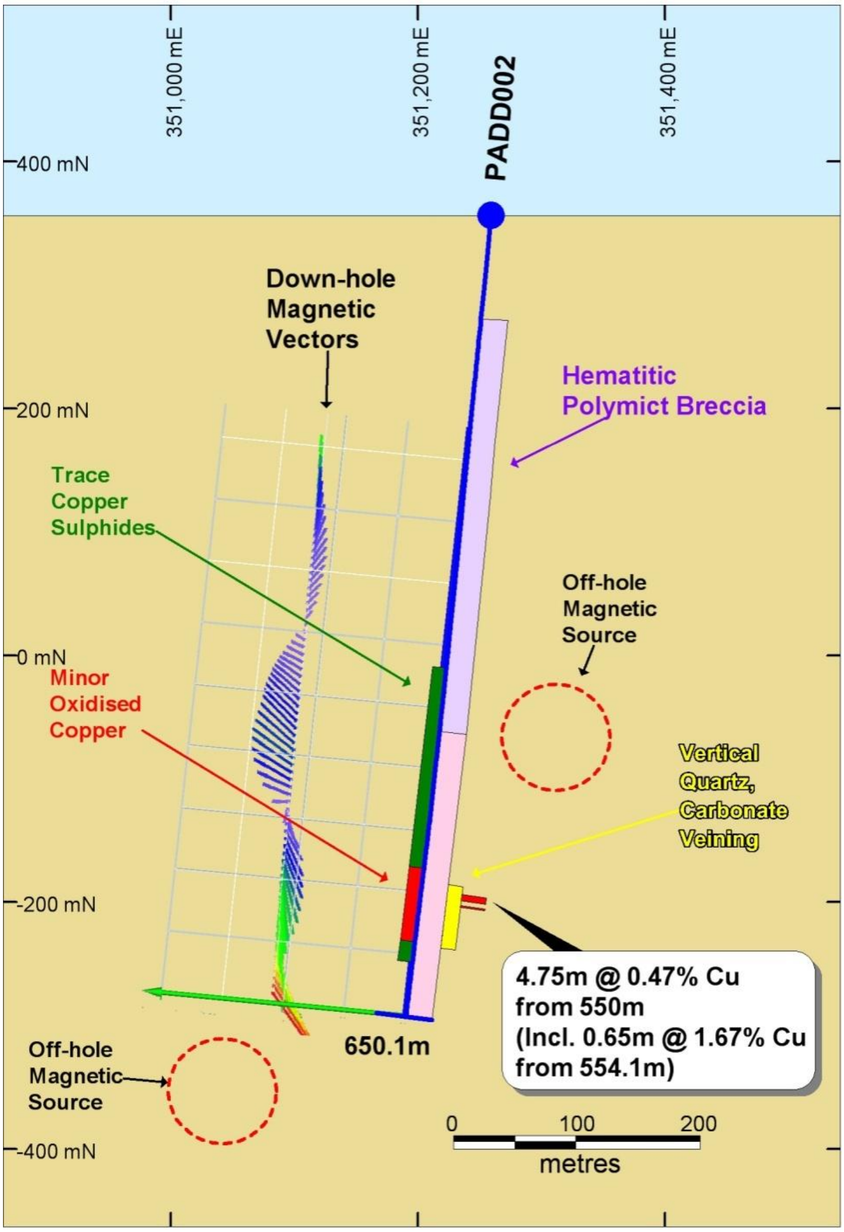


Fig 3. Results of PADD002

## (c) Regional Targets and Geophysics

Because of the good correlation between hematite and copper in the drill hole, and the lack of magnetite, Midas believes that further drilling should target areas of hematite enrichment within the breccia unit that occurs on the east side of the Vines Fault – potentially over 50km of strike within the Midas tenements. In IOCG systems, hematite-copper mineralisation often represents a shallower target than magnetite-copper, and gravity surveys are effective in detecting significant concentrations of hematite. The prospective corridor in which gravity surveys are planned is shown in Fig 4, below.

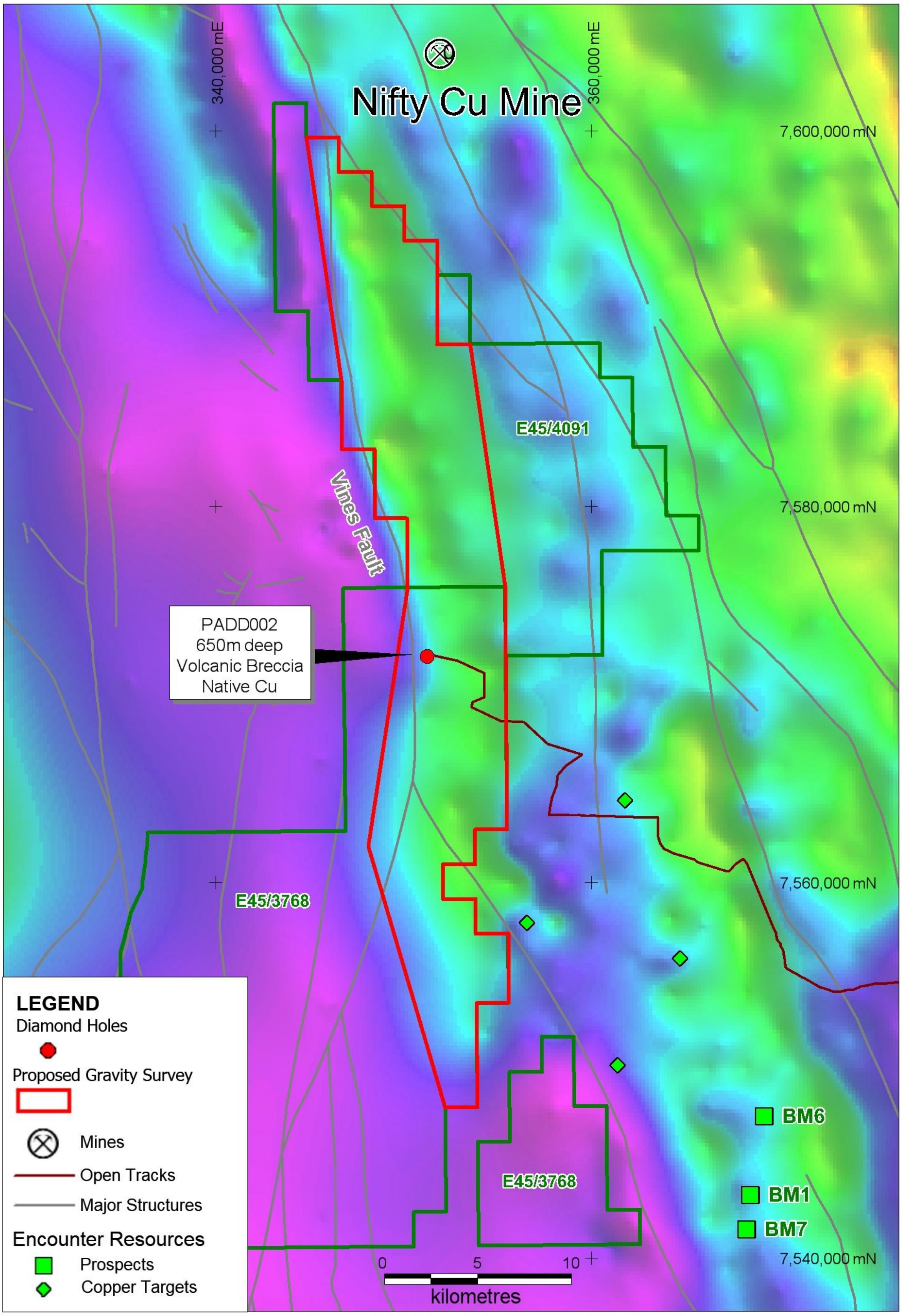


Fig 4. Prospective IOCG Corridor and Planned Detailed Gravity Surveys

(Regional Gravity Image)

### (d) Nifty Type Targets

In addition to IOCG targets there is potential for Nifty style copper mineralisation in Broadhurst sediments in the eastern side of E45/4091 and in south east E45/3768 (refer Fig 1). VTEM surveys (Versatile time-domain EM) are effective in locating conductive base metal mineralisation and this helicopter-borne system will be used to define targets.

## 7.2 Lake Carey and Fortitude Gold Project

### (a) Overview

Midas holds two gold Resources at Lake Carey in the southern part of the Laverton Tectonic Zone (Fig 5). These are Fortitude (356,000oz) and Gallant (20,000oz). In addition to these two gold deposits there are a number of anomalous gold results from previous drilling along the Bindah and Fortitude shear zones that highlight potential for other mineralised systems within the tenements.

Mining studies have been carried out on the Fortitude Resource based on open pit mining and trucking to third party owned treatment plants. Presently there is no spare treatment capacity within trucking distance of Fortitude and the Company is focussing on building the Resource-base to a level that will support a stand-alone operation. This situation affects other explorers in the area that need access to a treatment plant, and potential exists for a consolidation of interests in the area in order to achieve this objective.

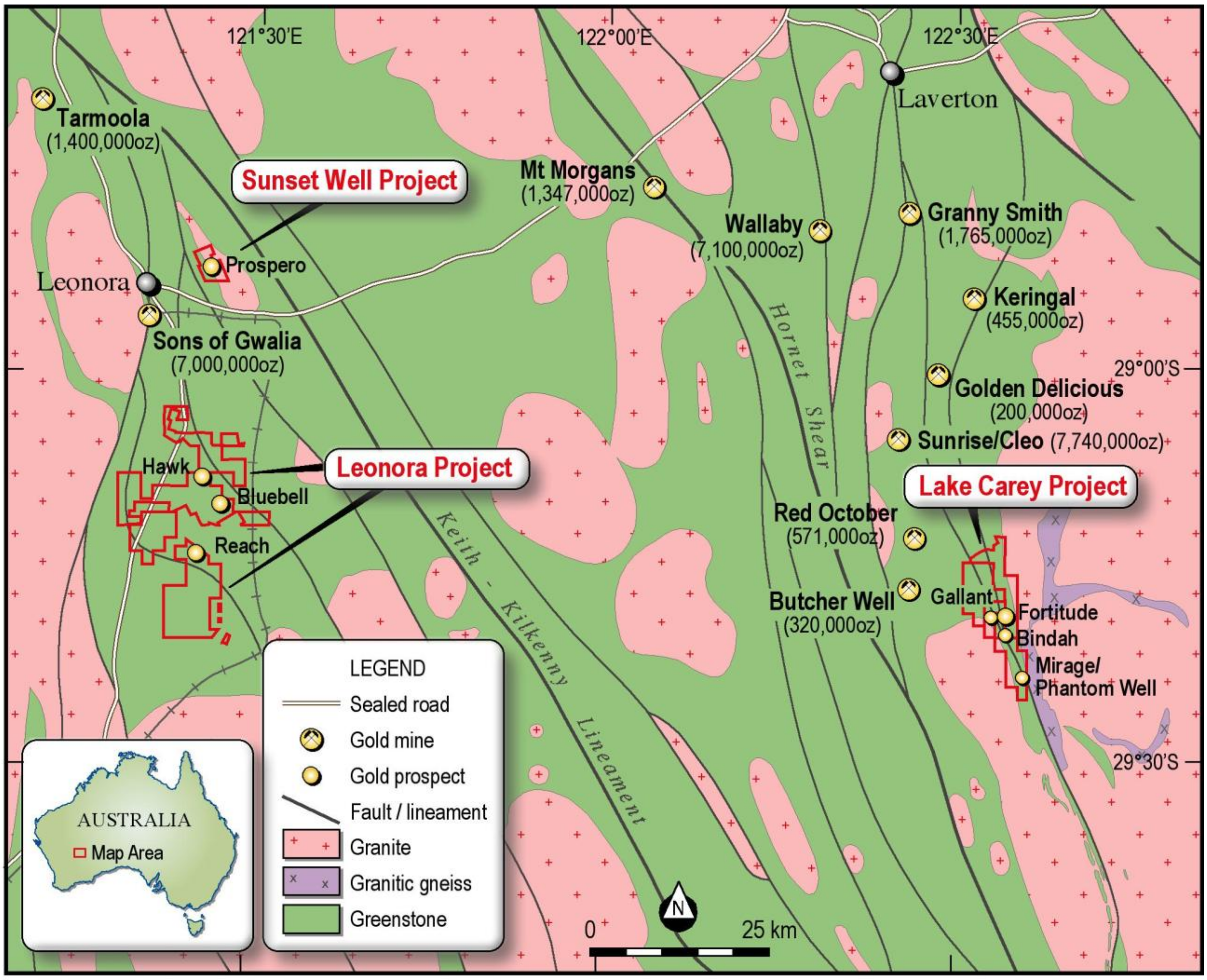


Fig 5. Lake Carey Project – Regional Location

In addition to the objective of increasing the overall resource-base the Company will look at the potential for a development of Fortitude that focuses on the relatively higher grade supergene zone only. This would require a treatment plant of significantly less throughput capacity (and therefore lower CAPEX) than that envisaged for maximum extraction of the Resource. In 2012 the Company completed scoping studies that provide much of the necessary information to evaluate the concept. An update of CAPEX and OPEX estimates relevant to the reduced throughput is needed and it is expected that a desktop study will be completed in the June Quarter.

**(b) Mineral Resources**

Planned expenditure during 2013 includes baseline environmental monitoring of possible tailings and waste dump sites, and other areas likely to be impacted by mining. A contingency for Resource estimation and mining studies is included in the planned expenditure should the opportunity for acquisition of third party gold resources arise.

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

The Mineral Resource estimate for Fortitude (ASX release May 6, 2010) is presented in the tables below:

Table 1. Ordinary Kriged Estimate

| Ordinary Kriged Estimate | Tonnes (Mt) | Grade (g/t Au) | Metal (ozs Au) |
|---|---|---|---|
| Indicated | 2.76 | 1.9 | 172,000 |
| Inferred | 3.53 | 1.9 | 213,300 |
| **Total** | **6.29** | **1.9** | **385,000** |

Table 2. Selective Uniform Conditional Estimate

| Selective Uniform Conditioning | Tonnes (Mt) | Grade (g/t Au) | Metal (ozs Au) |
|---|---|---|---|
| Indicated | 2.11 | 2.3 | 157,000 |
| Inferred | 2.75 | 2.3 | 198,000 |
| **Total** | **4.87** | **2.3** | **356,000** |

The Ordinary Kriged Estimate has been used in Scoping Studies. Midas is focussing on acquiring or discovering the additional ounces necessary to justify construction of a treatment plant.

**Gallant (M39/198, E 39/1287)**

The Company reported an Inferred Mineral Resource estimate for Gallant, on 10 May 2011. Gallant is located three kilometres west of Fortitude. Gallant could be developed as a satellite pit to a mining operation at Fortitude. Additional drilling and metallurgical test-work would be required to raise the classification of the Mineral Resource at Gallant to “Measured” and “Indicated” status under the JORC Code, which is a requirement for Reserve estimation and Feasibility studies.

Table 3. Gallant – (ASX Release 10 May 2011) Inferred Mineral Resource Estimate (1.0g/t Cut-off)

| Zone Type | Tonnes (t) | Au g/t | Au Ounces |
|---|---|---|---|
| **Oxide** | 119,000 | 2.3 | 8,900 |
| **Transitional** | 82,000 | 2.4 | 6,200 |
| **Fresh** | 79,000 | 2.0 | 5,100 |
| **Total*** | **280,000** | **2.2** | **20,100** |

* Rounding errors may occur

**(c) Lake Carey exploration**

Midas has identified up to six separate targets on Lake Carey (Fig 6) that require aircore drilling to test for gold mineralisation. All targets are located on key structures and are on-strike from known gold mineralisation. Previous drilling on these targets has been hampered by unseasonal rainfall and lack of availability of a tracked aircore drill rig during the dry season. A suitable rig is currently available for the program.

**Fortitude North:** 5,000m aircore drill program to test 4km strike length of Fortitude shear zone associated with structural jogs and anomalous gold results in nearby drill holes.

**Fortitude South:** 1,000m aircore drill program to test Fortitude shear zone south of the Fortitude gold deposit where it has not been effectively defined by drilling over a 2.5km strike length.

**Stealth and Mirage:** 1,000m to test key structures in proximity to known gold anomalies

**Phantom Well:** 1,000m to test a complex structural target where north-east structures intersect the major shear zones and create a jog with associated demagnetised zones which can be associated with gold mineralisation.

**Note: The final amount of drilling could vary significantly depending on the depth of overburden, the drilling conditions, and whether or not more or less holes are required to be drilled over certain targets.**

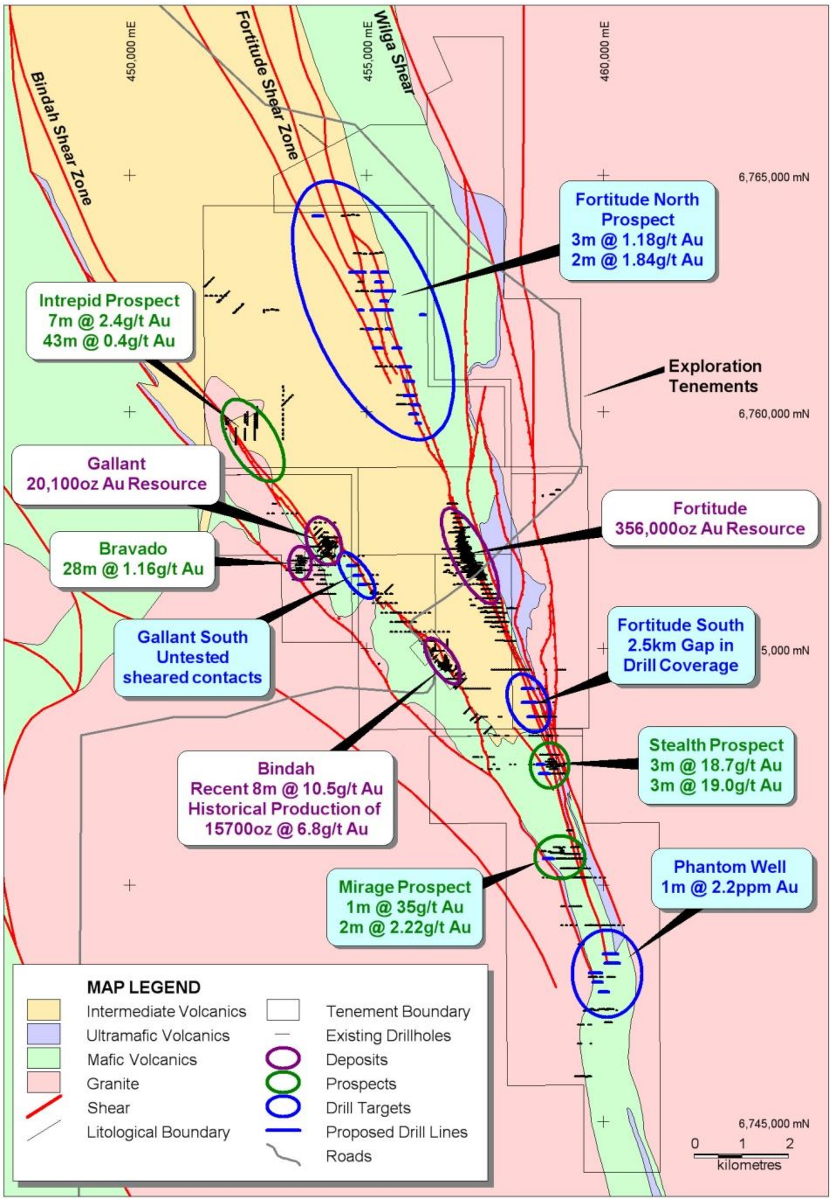


Figure **6** Lake Carey Exploration Targets – Drilling

## 7.3 Iron Ore Projects

The Company's Iron Ore assets are held by 100%-owned Midas subsidiary Mulga Minerals Pty Ltd. The assets include an Indicated Mineral Resource of 11.5 million tonnes at 53.1% Fe, 0.042% P, 7.75% SiO2, 5.57% Al2O3 and 9.86% LOI at a 50% Fe cut-off grade (ASX Release 26 July 2010) estimated by consulting group CSA Global.

Mulga Minerals Pty Ltd is the subject of a share sale agreement between Midas and unlisted company Pilbara Commodities Limited (**Pilbara**). A conditional Sale Agreement was executed on 30 June 2012. The Agreement provides for:

- $200,000 in cash on execution of the Share Sale Agreement (paid)
- $400,000 in cash on admission of Pilbara Commodities to the Official List of the ASX
- 4.0 million fully paid 20 cent shares in Pilbara Commodities, and
- 4.0 million 20 cent options expiring 30 June 2017

Pilbara has until 30 April 2013 to complete the balance of the transaction which requires it to pay consideration of $400k in cash and 4.0 million shares in Pilbara at $0.20 each. At this time, the

Company does not believe the sale will complete by 30 April 2013. If the sale is not completed by 30 April 2013, the agreement to sell Mulga Minerals Pty Ltd may be terminated and the sale may not proceed.

### 7.4 Leonora Gold Project

Midas has a strategic 210km$^2$ tenement holding in the 5.0M oz gold corridor between Leonora and Kookynie. All tenements are 100% owned by Midas. At Sunset Well the Company has a JORC compliant Inferred Mineral Resource estimate of 1.1Mt @ 1.4g/t Au for 50,100 oz. This Resource estimate was reported to ASX on 4 July 2011. Mining lease M37/1297 was recently granted at Sunset Well and there is potential for early production if there is access to a treatment plant. At this stage the Company has not met the annual expenditure commitment in respect of its first year. If the commitment is not met by 20 August 2013 then the tenement may be subject to a fine or forfeiture by the Minister. If the tenement is not forfeited, then the tenement may be subject to third party claims.

In line with the decision to focus on the Paterson Project and the Lake Carey gold project the company has decided to seek expressions of interest for the sale of the Leonora tenements. The Company has received some indicative expressions of interest, but there are no proposals that are capable of proceeding at this time.

**Competent Person's Statement**

*The information in this report as it relates to Exploration Results, Mineral Resources and geology was 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 2012 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 relating to Exploration Results, Mineral Resources and geology in the form and context in which it appears.*

## 7.5 Tenement Schedule

A summary of the tenements held by the Company as at 11 April 2013 is set out in the table below.

| **TENEMENT SCHEDULE**<br>As at 11 April 2013 |
|---|
| **Lake Carey Project**<br>**Western Australia – 100% Midas**<br>**Live Tenements**<br>E39/348*, E39/1286**, E39/1287**, M39/1, M39/198, M39/286, M39/709, M39/710, M39/1065, P39/4644 & P39/4645<br>**Applications – Midas is the Sole Applicant**<br>P39/5293<br>* tenement due for annual renewal on 27 October 2013<br>** tenement due for annual renewal on 11 November 2013 |
| **Phantom Well**<br>**Western Australia – 100% Midas (Barranco Pty Ltd has the right to earn back to a 15% interest).**<br>**Live Tenement**<br>E39/1288**<br>** tenement due for annual renewal on 11 November 2013 |
| **Leonora Project - Sunset Well**<br>**Western Australia – 100% Midas**<br>**Live Tenements**<br>M37/1297****<br>**** tenement annual expenditure commitment due on 20 August 2013. Expenditure commitment may not be satisfied before the due date. |
| **Leonora Project – Leonora South**<br>**Western Australia – 100% Midas**<br>**Live Tenement**<br>E40/294, E40/295, P40/1282<br>**Applications – Midas is the Sole Applicant**<br>E40/312 |
| **Paterson Province**<br>**Western Australia – 100% Midas**<br>**Live Tenements**<br>E45/3467, E45/3468, E45/3768, E45/4901<br>**Applications – Midas is the Sole Applicant**<br>E45/3895 |
| **Mulga Minerals Pty Ltd Tenements*****<br>**Western Australia – 100% Midas**<br>**Live Tenements**<br>E47/1885, E47/1893, E08/1997<br>*** Mulga Minerals Pty Ltd is the subject of a Conditional Sale and Purchase Agreement between the Company and Pilbara Commodities Limited see section 7.3 for a description of the status of that sale. |

# 8 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The following is a summary of the more significant rights and liabilities attaching to New Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

## 8.1 Rights Attaching to New Shares

The New Shares to be issued pursuant to this Prospectus are ordinary shares and will as from their allotment rank equally in all respects with all Existing Shares.

The rights attaching to the New Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX Listing Rules and general law. A copy of the Company's Constitution is available for inspection free of charge during business hours at its registered office.

A summary of the rights attaching to the New Shares is set out below.

(a) Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

(b) Dividends

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the amount, method and time for payment of the dividend.

(c) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of Shares, on a winding up of the Company any surplus must be divided among the Shareholders of the Company (in accordance with their relevant proportions).

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASTC Settlement Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules, or under the Company's Constitution.

(e) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant Options over Shares, on any terms, at any time and for any consideration, as the Directors resolve.

(f) Variation of Rights

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Settlement Rules and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class or convert Shares from one class to another by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(g) Meetings and Notices

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

# 9 RISK FACTORS

## 9.1 Commodity Price and Exchange Rate Risks

Once the Company becomes a producer of copper, gold, iron ore or other minerals the revenue of the Company will be derived predominantly from the price of those commodities. Any profit derived through the sale of such commodities will be exposed to commodity price and exchange rate risks. Commodity prices are volatile and can fluctuate sometimes to a large degree in a short period of time. Commodity prices are affected by many factors beyond the control of the Company including retail and industrial supply and demand fluctuations for precious and base metals, change in global economies, confidence in the gold monetary system (with respect to gold prices), technological advancements, forward selling activities of producers and speculators and other macro-economic factors like global, regional, social, political or economic events.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## 9.2 General Risks

An investment in the Company is not risk free. It is speculative. Investors should consider the risk factors described in this section, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares. Potential investors should consult their professional advisers before deciding whether to apply for New Shares.

This section is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

## 9.3 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

## 9.4 Market conditions

The market price of New Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## 9.5 Security Investments

Applicants should be aware that there are risks associated with any investment in shares. Securities listed on the stock market, and in particular shares of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the New Shares regardless of the Company's performance.

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by circumstances beyond the control of the Company and cost overruns for unforseen events.

## 9.6 Exploration and Evaluation Risks

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

In the case of Exploration Targets, it should be noted that these are conceptual in nature, there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Mining lease M37/1297 at Sunset Well, within the Leonora Project, contains a JORC compliant Inferred Mineral Resource estimate of 1.1Mt @ 1.4g/t Au for 50,100 oz. This Resource estimate was reported to ASX on 4 July 2011. At this stage the Company has not met the annual expenditure commitment in respect of its first year. If the commitment is not met by 20 August 2013 then the tenement may be subject to a fine or forfeiture by the Minister. If the tenement is not forfeited, then the tenement may be subject to third party claims.

Four tenements within the Company's Lake Carey and Phantom Well Projects are due to expire in 2013. Renewal of the tenements is anticipated, but is at the discretion of the Western Australian Department of Mines and Petroleum. Expiry dates are as follows:

- Tenement E 39/348: 27/10/2013
- Tenements E 39/1286, E 39/1287 and E 39/1288: 11/11/2013

## 9.7 Environmental Risks

The operations and proposed activities of the Company are subject to state and federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to an appropriate standard of environmental management, including compliance with all environmental laws. To that end the Company has adopted a "Native Title, Environment, OH&S and Risk Management Policy".

## 9.8 Native Title and Title Risks

Interests in tenements in Australia are governed by the respective state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

## 9.9 Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

### 9.10 Future Capital Requirements

The Company's activities will require substantial expenditures. The funds raised through the Offer are unlikely to be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion and development of its Lake Carey gold exploration projects and its Paterson Province projects after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

### 9.11 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

### 9.12 Legislative changes and Government policy Risk

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

### 9.13 Mineral Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company’s operations.

### 9.14 Reliance on Key Personnel

The Company’s success depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate, in the metals and mining industry and the Company’s ability to retain its key executives.

# 10 ADDITIONAL INFORMATION

## 10.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

  (i) the financial statements of the Company for the financial year ended 30 June 2012 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and

  (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 31 December 2012 and before the issue of this Prospectus; and

  (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2012 audited financial statements:

| **Date** | **Description of Announcement** |
|---|---|
| 23 April 2013 | Trading Halt |
| 19 April 2013 | Quarterly Activities and 5B Cashflow Report March 2013 |
| 18 April 2013 | Change in Directors Interests |
| 11 April 2013 | Initial Director's Interest Notice |
| 11 April 2013 | Final Director's Interest Notice |
| 10 April 2013 | Reinstatement to Official Quotation (11/04/13) |
| 10 April 2013 | Director Appointment |
| 8 April 2013 | Suspension from Official Quotation |
| 8 April 2013 | Board Change |
| 25 March 2013 | Exploration Update |
| 22 March 2013 | Interim Half Year Financial Statements to December 2012 |
| 18 March 2013 | Suspension from Official Quotation |
| 30 January 2013 | December Quarterly Cashflow Report |
| 17 January 2013 | Quarterly Activities Report |
| 21 December 2012 | Change in Directors Interest Notice x2 |
| 20 December 2012 | Paterson Project Drill Results for PADD002 |
| 12 December 2012 | Appendix 3b Share Issue |
| 5 December 2012 | Amendment- Change of Director's Interest Notice |
| 30 November 2012 | Change of Director's Interest Notice |
| 26 November 2012 | Managing Director's Presentation AGM 26 November |
| 26 November 2012 | Results of AGM |
| 21 November 2012 | Listed Options to Expire |
| 2 November 2012 | Share Purchase Plan Closed and Appendix 3B |

| Date | Description of Announcement |
|---|---|
| 31 October 2012 | Drilling Update – Paterson Project |
| 29 October 2012 | Annual Report to shareholders |
| 26 October 2012 | Notice of Annual General Meeting |
| 26 October 2012 | September Quarter Appendix 5B |
| 25 October 2012 | Activities Report September Quarter |
| 23 October 2012 | Paterson Project Drilling Update |
| 15 October 2012 | Drilling Operations Update – Paterson Province |
| 10 October 2012 | SPP Offer to Existing Eligible Shareholders |
| 4 October 2012 | Drilling Operations Underway on Paterson Project |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

## 10.2 Material Contracts

The following is a summary of the significant terms of the material agreements which relate to the business of the Company.

**Underwriting Agreement**

Subject to an underwriting agreement dated 24 April 2013 ("**Underwriting Agreement**"), Patersons Securities Limited ("**Underwriter**") has agreed to underwrite the Offer.

Upon completion, the Underwriter will receive an underwriting fee of 6% of the amount underwritten. In addition, the Underwriter will receive a lead manager fee of $60,000. The Underwriter will also receive payment of reasonable costs and expenses incurred by it in connection with the Offer. The Company will pay any GST applicable to any fee payable to the Underwriter under the Underwriting Agreement.

The Underwriter has discretion to terminate the Underwriting Agreement for reasons that are standard in agreements of this nature.

**Related Party Loan Agreements**

The Company (the **Borrower**) entered into loan agreements (all on similar terms) with the following parties (each a **Lender**) on the following dates:

(a) John D Hopkins on 18 March 2013 in an amount of $50,000 – John Hopkins is a Director and holds Shares and Options in the Company;

(b) David Donald Boyer as trustee for the DB Family Trust (DB Family Trust) on 19 March 2013 in an amount of $50,000 – Don Boyer was a director of the Company until 30 June 2011 and DB Family Trust holds Shares in the Company; and

(c) Needmore Investments Pty Ltd as trustee for The Amicus Family Trust (Needmore) on 17 March 2013 in an amount of $100,000 – Needmore is controlled by Geoff Balfe, a Director, and holds Shares in the Company. Geoff Balfe holds Options in the Company.

The loans are intended to be used for working capital. The terms of each loan are summarised as follows:

(a) The Borrower can repay any part of loan at any time.

(b) In the event of a rights issue, a Lender will be entitled to convert the balance of the loan amount outstanding (or part thereof) into an acceptance of its entitlement to participate in that issue.

(c) If approved by the Shareholders, a Lender may (at the Borrower's election and on certain terms) accept an issue to it by the Company of an amount of Shares in the capital of the Company equal to the balance of the loan outstanding (or part thereof) divided by the issue price (which equals the lesser amount of the most recent offer by the Company to raise capital or the 14 day WVAP to the date of the Shareholders' meeting) per Share:

  (i) within 14 days from the Shareholders' meeting (any conversion of the loan into share capital is limited to the extent permitted by the Corporations Act); or

  (ii) at any time with seven months from the Shareholders' meeting and with ASX approval (if required) in accordance with the Corporations Act.

(d) If an issue of Shares in respect of a Lender is not approved by the Shareholders, the relevant loan is to be repaid in cash within 3 months from the Shareholders' meeting or as agreed by the parties.

The Borrower's obligation to repay a loan includes any interest accrued on that loan balance.

Velsberry, an entity controlled by a former director of the Company, Terry Streeter, and the Company are parties to a loan agreement dated 12 September 2012. Under that agreement

Velsberry lent the Company $200,000. A portion was repaid by the issue of Shares to Velsberry in 2012 and the balance is intended to be repaid by an issue of Shares to Velsberry on or around 8 October 2013. For details of this loan please refer to section 5.1.

## 10.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue of Securities pursuant to this Prospectus; or

(c) the Issue of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer of Securities pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

| Name | Security |
|---|---|
| John Hopkins | Direct<br>3,979,762 Shares<br>1,000,000 unlisted Options exercisable at $0.02 on or before 12 December 2014 |
| Geoff Balfe | Direct<br>500,000 unlisted Options exercisable at $0.16 on or before 15 November 2013<br>Indirect<br>25,754,989 Shares |
| Derek Fisher | Nil |

Geoff Balfe (**Sub-underwriter**) has agreed to sub-underwrite $100,000 or 100,000,000 New Shares on the terms set out in section 4.8. The Sub-underwriter will be paid a sub-underwriting fee of 1.50% of the amount sub-underwritten.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors as determined by the Directors and in default of such a determination then in equal shares.

In the two years preceding lodgement of this Prospectus, $666,569 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by all Directors and former directors Mr Don Boyer and Mr Terry Streeter, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

Except as disclosed below, none of the Directors or members of senior management have any potential conflicts of interest between their duties to the Company and their private interests or other duties:

- John Hopkins is a consultant to Sparke Helmore Lawyers, the legal adviser to the Company; and
- Geoff Balfe will be paid a sub-underwriting fee of 1.50% of the amount sub-underwritten. For details refer to the previous page.

### 10.4 Interests and Consents of Experts and Advisers

The following parties have given their consent to be named in this document (and have not withdrawn their consent before the date of this document) in the form and context in which they are named:

- Patersons Securities Limited, in the capacity of Underwriter and Lead Manager; and
- Sparke Helmore Lawyers, in its capacity as solicitors to the Company.

Each of Patersons Securities Limited and Sparke Helmore Lawyers has not:

- authorised or caused the issue of this Prospectus;
- made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
- assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of Securities pursuant to this Prospectus; or
- the Offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offer of Securities pursuant to this Prospectus.

Patersons Securities Limited is acting as Underwriter and for this is being paid a fee as set out in **section 10.2**.

Sparke Helmore is entitled to be paid $20,000 for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and in relation to the application for quotation of the New Shares on ASX. Sparke Helmore has not been paid by the Company for any services in the last 2 years.

The Company has not paid fees to Patersons Securities Limited for providing services to the Company in the current financial year to date. For the financial year ended 30 June 2012, Patersons Securities Limited received the amount of $216,325.50 exclusive of GST from the Company for the provision of underwriting, lead management and corporate advisory services to the Company. The Company did not pay fees to Patersons Securities Limited for providing services to the Company during the financial year ended 30 June 2011.

References to Advanced Share Registry Services and KPMG as Share Registry and auditor, respectively, to the Company appear for information purposes only. Advanced Share Registry Services and KMPG have not been involved in, authorised or caused the issue of this Prospectus.

### 10.5 Estimated Expenses of Issue

The estimated expenses of the Issue are approximately $260,430 including underwriting fees, legal, ASIC, ASX and printing costs.

### 10.6 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 10.7 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your New Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended) and the Corporations Act. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

## 10.8 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC and no director has withdrawn their consent.

Signed on behalf of the Directors pursuant to a resolution of the Board.

**Geoff Balfe**
Managing Director/CEO

## 11 GLOSSARY

"**A$**", "**$**" and **dollars** means Australian dollars, unless otherwise stated.

**Additional New Securities** means New Shares in addition to an Eligible Shareholder's Entitlement for which an applicant makes an Application.

**Application** means an application for Securities pursuant to the Application Form.

**Application Form** means the Application form attached to or accompanying this Prospectus.

**Application Money** means the money received from Eligible Shareholders in respect of their Application.

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means ASX Settlement Pty Limited (ABN 49 008 504 532).

**ASTC Settlement Rules** means the settlement rules of ASTC.

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of Directors.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**CHESS** means ASX Clearing House Electronic Sub-registry System.

**Closing Date** means 24 May 2013 or such other date as may be determined by the Directors under this Prospectus.

**Company** or **Midas** means Midas Resources Limited (ABN 87 095 092 158).

**Constitution** means the Company's Constitution as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Commonwealth).

**Director** means a director of the Company at the date of this Prospectus.

**Eligible Option Holders** means a holder of Options as at the Record Date.

**Eligible Shareholders** means a Shareholder as at the Record Date other than a Non-qualifying Foreign Shareholder.

**Entitlement** or **Right** means a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.

**Existing Share** means a fully paid ordinary share in the capital of the Company on issue at the date of this Prospectus.

**Expiry Date** means 26 May 2014.

**Issue** means the issue of Securities under this Prospectus.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**Listing Rules** or **ASX Listing Rules** means the Listing Rules of the ASX.

**New Shares** means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

**Non-qualifying Foreign Shareholders** means a Shareholder whose registered address is not situated in Australia or New Zealand.

**NPV** means Net Present Value.

**NT** means Native Title.

**Offer** means the offer of four New Shares for every one Existing Share held at the Record Date at an issue price of $0.001 per New Share.

**Official Quotation** means official quotation on ASX.

**Option** means an option to subscribe for a Share.

**Prospectus** means the prospectus constituted by this document.

**Record Date** means 5pm WST on 7 May 2013.

**Securities** means the New Shares to be issued under this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share.

**Shortfall** will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under this Prospectus by the Closing Date.

**Shortfall Shares** means New Shares for which successful valid Applications have not been received by the Closing Date.

**Underwriter** means Patersons Securities Limited (ACN 008 896 311).

**Underwriting Agreement** means the underwriting agreement dated 24 April 2013 between the Underwriter and the Company.

**VWAP** in respect of Shares means the volume weighted average price of those Shares.

**WST** means Western Standard Time.