Midas Resources Limited

ASX Announcement
ASX Code: MDS
ABN 87 095 092 158

2 May, 2013

Update - Conditional Sale of Midas' Iron Ore assets

Company Facts

Diversified mining and metals company Midas Resources (ASX: **MDS**) is a gold and base metals focussed company with a significant gold project at Lake Carey, south of Laverton. Midas also has a significant tenement position in the multi-metal Paterson Province where it is exploring principally for copper deposits.

Key Projects:

- Lake Carey (100%)
- Paterson Province (100%)
- Leonora Gold Project (100%)
- West Pilbara Iron Ore (100%)

Corporate Structure

Shares on issue	541.4m
Performance Options	2.5m
52 week high	A$0.0153
52 week low	A$0.0018

Company Directors

John Hopkins
Chairman

Geoff Balfe
Managing Director/CEO

Derek Fisher
Non-Executive Director

Company Secretary
Mark Pitts

Highlights:

- **Settlement date for conditional sale of Midas' iron ore assets extended to 23 July 2013.**
- **Midas is to receive additional consideration of $50,000 for agreeing to the variation.**
- **Total consideration now comprises:**
    - $450,000 in cash payable to Midas on admission of Pilbara Commodities (the buyer) to the Official List of the ASX
    - 4.0 million fully paid 20 cent Pilbara shares
    - 4.0 million 20 cent Pilbara options expiring 30 June 2017.
- **Iron Ore assets include a JORC compliant resource in the Indicated category of 11.5Mt @ 53.1%Fe.**
- **Midas' main project continues to be 100% owned Lake Carey where Midas has a JORC compliant Resource of 385,300oz @ 1.9g/t.**
- **Midas also holds 100% four Exploration Licences in the Paterson province, looking for large tonnage open pittable IOCG and Nifty style deposits.**
- **Leonora assets where Midas has a JORC compliant Resource of 50,000oz @ 1.4g/t have been offered for sale.**
- **On 26 April, Midas announced a fully underwritten 4:1 renounceable rights issue offered at 0.1 cents per share to raise approximately $2.1 million.**

Resources developer, Midas Resources Limited ("Midas" or "the Company") (ASX:MDS), is pleased to provide an update on the status of the sale of its iron ore assets to unlisted company Pilbara Commodities Limited ("Pilbara"):

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Midas is the owner of three exploration licences in the West Pilbara for iron ore: E08/1997, E47/1885 and E47/1893. A CID iron ore Resource of 11,500,000 tonnes at 53.1% Fe, 0.042% P, 7.75% SiO_2, 5.57% Al_2O_3 and 9.86%LOI has been estimated for E08/1997. The Resource is in the Indicated category and it was estimated according to the JORC Code (2004). The Resource was estimated by CSA Global and reported to ASX on 10 July 2010.

Midas and Pilbara have executed a variation to the conditional Share Sale Agreement entered into on 30 June 2012. The variation allows for:

- Extension of the End Date for settlement to 23 July 2013.
- Amendment of the definition of IPO to include reverse take-over, reverse merger or back door listing, and
- Amending the Consideration to be payed to Midas to include an additional $50,000 cash payment.

As a result of the variation, the total consideration payable to Midas on Settlement is now:

- $450,000 in cash on admission of Pilbara to the Official List of the ASX
- 4.0 million fully paid 20 cent shares
- 4.0 million 20 cent options expiring 30 June 2017.

About Midas

Midas is a Western Australian focussed gold and base metal explorer with **significant JORC compliant gold Resources (JORC Code 2004)**:

Lake Carey
Fortitude: 6,289,000 tonnes at 1.9 g/t Au for 385,300 ozs
Gallant: 280,000 tonnes at 2.2 g/t Au for 20,100 ozs

Leonora – Sunset Well
Prospero: 1,096,000 tonnes at 1.40 g/t Au for 50,100 ozs

The Company is investigating opportunities for the development of its Lake Carey gold Resources through either toll treatment or construction of a suitable processing plant, either stand-alone, or in conjunction with other parties. Midas is seeking to sell its gold assets in the Leonora region.

In the **Paterson province** the Company is focussed on exploration for IOCG copper-gold deposits and Nifty style copper deposits. The Company has 1,088km^2 of granted tenements covering key stratigraphic units in the prospective Proterozoic Yeneena Basin.

Rights issue

Midas announced a fully underwritten 4 for 1 Renounceable Rights Issue on 26 April offered at 0.1 cents per share to raise approximately $2.1 million (before costs). The net proceeds will be used to progress the exploration and development of the Company's projects. The rights have commenced trading on 1 May 2013 under the ASX code MDSR.

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

G D Balfe
Managing Director/CEO

Compliance Statements - Resources

Lake Carey(1) – Fortitude (Ordinary Kriged Resource at 1.0 g/t Au cut off grade)

Zone	Indicated			Inferred			Total		
	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces
Oxide	572,800	2.1	38,700	221,000	1.9	13,500	794,000	2.0	51,400
Transitional	150,900	1.8	8,700	148,200	1.9	9,100	299,000	1.9	18,000
Fresh	2,034,700	1.9	124,900	3,161,200	1.9	190,900	5,196,000	1.9	315,800
Total	**2,758,000**	**1.9**	**172,000**	**3,530,000**	**1.9**	**213,300**	**6,289,000**	**1.9**	**385,300**

Lake Carey(2) – Gallant (Inverse Distance Squared Grade Interpolation, 1.0 g/t Au cut off grade)

Zone Type	Tonnes	Au	Au
	t	**g/t**	**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**

Leonora(3) – Sunset Well - Prospero Inferred Mineral Resource Estimate, 1.0 g/t Au cut off grade)

Zone Type	Tonnes	Au Uncut	Au
	t	**g/t**	**Ounces**
Oxide	609,000	1.40	27,900
Transitional	287,000	1.40	13,300
Fresh	200,000	1.40	9,000
Total	**1,096,000**	**1.40**	**50,100**

1. Resource estimated by Runge Limited (ASX release 5 May 2010)
2. Resource estimated by Runge Limited (ASX release 10 May 2011)
3. Resource estimated by Runge Limited (ASX release 4 July 2011)

Competent Person's Statement

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