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NEWS RELEASE

January 4th, 2012 Vancouver, B.C. – The Company (**MIDASCO CAPITAL CORP. – TSX-V Symbol MGC**) has received a preliminary report from the first geological visit to license 582 and 583 in the Santa Rosa Canelos area, Bolivar State Colombia. The objective of the visit was to gather samples and identify zones of interest, geological anomalies and areas of past and current mining activities. Our geological crew spent 12 days in the field. Two main distinct structures were identified and transcend the entire area. The northern most structure strikes southwest and is believed to be part of the Cayetano mine structure, with widths that vary from 8 and 10 meters across the mineralized zone. The second structure is a Northeast mineralized zone. Nine illegal mining operations were discovered. These illegal miners (“Barequeo’s”) use small pumps and dredges to mine the creeks.

During the visit a total of 25 samples were taken from vein workings covering an area 1500 in length and 400 meters in width with the average sample gathered from zones between 80 cm and 1.5 meters. The 25 samples were fire assayed by SGS Peru and all of them contained gold (Au). Of the 25 samples 8 assayed over 1 g/t Au with four samples, samples SMI-S-001, SMI-S002, SMI-S-009 and SMI-S010 assayed **69.38 g/t Au, 11.81 g/t Au, 8.63 g/t Au and 6.84 g/t Au** respectfully.

The above lab results are very encouraging, specifically taking into account that it is possible to observe two parallel structures, which follow on the same structure of the Cayetano vein, the most important structure in this zone.

A geological crew will be visiting our other licenses early in 2012 and a more extensive exploration program will be designed upon receipt of the final report.

Midasco’s 7 licenses are located in two of the four distinct gold mining areas in Southern Bolivar. Four licenses (269, 270, 271 & 272) covering 4,893 hectares are located in the **Monte Cristo Tiquisio** area, and three licenses (582, 583 & 585) covering 5,183 hectares are in the **Santa Rosa Canelos** area.

R.T. Heard, P.Eng, who is a qualified person under the meaning of National Instrument 43-101 has reviewed the technical information contained in this news release.

We seek safe harbour.

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