



NEWS RELEASE

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Midas Gold to enter Strategic Relationship with Paulson & Co. and raise C\$55.2 Million *Funds to Advance the Stibnite Gold Project, Idaho*

VANCOUVER, BRITISH COLUMBIA – Midas Gold Corp. (TSX:MAX / OTCQX:MDRPF) (“Midas Gold” or the “Company”) today announced that it has entered into a letter of intent with Paulson & Co. Inc., on behalf of the several investment funds and accounts managed by it (“Paulson”), pursuant to which Midas Gold will conduct an offering of Canadian dollar denominated 0.05% senior unsecured convertible notes (the “Notes”) to be issued by a wholly owned subsidiary (the “Issuer”) to Paulson on a private placement basis (the “Note Offering”). Concurrently, Midas Gold will complete an offering of Notes to certain of the Company’s existing shareholders (the “Existing Shareholder Offering” and, together with the Note Offering, the “Offering”) for total gross proceeds of C\$55.2 million. The Notes will have a term of seven years and may be converted into common shares of Midas Gold at a price of C\$0.3541 per share. The maximum gross proceeds of the Existing Shareholder Offering will be C\$20.7 million, with the Note Offering to comprise the balance of the C\$55.2 million to be raised.

Shareholder Support

All of the directors and officers of the Company have agreed to support the Offering at a meeting of shareholders to be convened to approve the Offering (the “Meeting”). Midas Gold intends to collect written support agreements from existing shareholders prior to the Meeting.

Use of Proceeds

Midas Gold intends to use the proceeds from the Offering to advance its Stibnite Gold Project (the “Project”) in Idaho. In tandem with ongoing corporate cost cutting initiatives undertaken by the Company over the past three years, which are continuing, it is expected that the gross proceeds of the Offering along with Midas Gold’s current working capital will be sufficient to fund ongoing stakeholder engagement, the environmental assessment and permitting process on the Project, and completion of a feasibility study for the Project.

Note Terms

The Notes will mature seven years after issuance and are convertible by the holders thereof (the “Noteholders”) at any time prior to the maturity of the Notes, into common shares of the Company (“Common Shares”) at a conversion price of C\$0.3541 per share, being the trailing 10-day volume weighted average closing price of the Company’s Common Shares on the TSX (“VWAP”) immediately prior to announcement. The Notes will be redeemable, at the option of the Issuer, at any time after the fourth anniversary of the initial issue date of the Notes, provided that the 20-day VWAP is not less than 200% of the Conversion Price (or C\$0.7082 per share) at the time of redemption and subject to the conversion rights of the Noteholders.

The Notes will constitute a senior unsecured obligation of the Issuer, ranking equally with other existing and future senior unsecured indebtedness and ranking senior to any existing or future subordinated indebtedness, and will bear interest at a rate of 0.05% per year, payable annually, which may be paid in cash or common shares (based on the 10-day VWAP on the due date) at the Issuer’s election. Upon a



change of control, the Issuer will offer to repurchase the Notes at a price equal to 100% of the principal amount of the Notes plus accrued interest.

Midas Gold intends to finalize the potential participation by current shareholders in the Existing Shareholder Offering by the close of business on Wednesday February 24, 2016.

Conditions

Closing of the Offering is conditional upon the execution of definitive documentation, satisfaction of customary closing conditions and deliveries, the receipt of all required regulatory approvals, the entry into of an investor rights agreement between the Company and Paulson (the “**Investor Rights Agreement**”) and the receipt of shareholder approval of the Offering, including Paulson’s ownership of Common Shares (or Notes convertible into Common Shares), at the Meeting to be convened in due course. An information circular outlining the details of the Offering and the voting instructions related thereto, together with a form of proxy, will be mailed to shareholders in respect of the Meeting.

The Investor Rights Agreement will contain terms including: (i) Paulson will not acquire common shares of the Company that will cause Paulson’s aggregate holdings (assuming conversion of Paulson’s Notes into common shares) at any time to exceed 49.9% of the then-outstanding Common Shares; (ii) agreement to the use of proceeds in line with the Company’s 3-year budget, which budget may be revised in certain circumstances in the event of a material adverse change; (iii) so long as Paulson owns 20% or more of the outstanding Common Shares (on a fully-diluted basis), the Company will not incur certain indebtedness without Paulson’s prior approval, such approval not to be unreasonably withheld; (iv) the right to nominate one director for so long as Paulson owns 10% or more, and two directors for so long as Paulson owns 20% or more, of outstanding Common Shares on a fully diluted basis; (v) certain matters will require the approval of six of seven directors, including the sale of all or substantially all of the Company’s assets, entering into a joint venture for the Stibnite Gold Project, a business combination of some form, equity financings in certain circumstances, and changes to the approved budget. Further, so long as Paulson owns Common Shares or Notes convertible into Common Shares representing at least 20% of outstanding Common Shares, it shall have the right, at their own *pro-rata* cost, to have a sale of common shares qualified by a Canadian prospectus on a demand basis up to two times per annum for minimum gross proceeds of US\$10 million each, and on a piggy-back basis at any time the Company files a prospectus. In addition, so long as Paulson owns at least 10% of outstanding Common Shares (assuming conversion of Paulson’s Notes), Paulson will have a right of first offer on any additional equity financing and may participate in any future security issuances to maintain its *pro rata* interest in the Company.

Upon completion of the Offering, Midas Gold will appoint two individuals nominated by Paulson to its board of directors.

It is expected that the Offering will close as soon as practicable following receipt of shareholder and regulatory approval.

Advisors

Haywood Securities Inc. is acting as financial advisor to Midas Gold. Dumoulin Black LLP is acting as Canadian legal counsel, and Dorsey & Whitney LLP is acting as US legal counsel to Midas Gold; Thorsteinssons LLP and Covington & Burling LLP provided Canadian and US tax advice, respectively, to



Midas Gold. Goodmans LLP is acting as Canadian counsel to Paulson and Kleinberg, Kaplan, Wolff & Cohen P.C. is acting as US tax counsel to Paulson.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States unless an exemption from such registration is available.

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Forward-Looking Statements

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; and the plans for completion of the Offering, expected use of proceeds and business objectives. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as "anticipates", "expects", "understanding", "has agreed to" or variations of such words and phrases or statements that certain actions, events or results "would", "occur" or "be achieved". Although Midas Gold has attempted to identify important factors that could affect Midas Gold and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, including, without limitation, the risks and uncertainties related to the Offering not being completed in the event that the conditions precedent thereto are not satisfied; uncertainties related to raising sufficient financing in a timely manner and on acceptable terms. In making the forward-looking statements in this news release, Midas Gold has applied several material assumptions, including the assumptions that (1) the conditions precedent to completion of the Offerings will be fulfilled so as to permit the Offerings to be completed in or about April of 2016; (2) all necessary approvals and consents, including shareholder approval, in respect of the Offering will be obtained in a timely manner and on acceptable terms; and (3) general business and economic conditions will not change in a materially adverse manner. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, Midas Gold does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.