

ANNUAL INFORMATION FORM



MIDAS GOLD CORP.

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For the year ended December 31, 2013

Dated March 12, 2014

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PRELIMINARY NOTES

In this Annual Information Form ("**AIF**"), Midas Gold Corp. and its 100% owned subsidiaries are collectively referred to as the "**Corporation**" or "**Midas Gold**" unless specifically identified otherwise. All information contained herein is as at and for the year ended December 31, 2013, unless otherwise specified.

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

Cautionary Statement Regarding Forward-Looking Statements

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act of 1995* (collectively, "**forward-looking information**").

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Forward-looking information in this AIF includes, but is not limited to, statements regarding:

- analysis and other information based on expectations of future performance and planned work programs;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- timing, costs and potential success of future exploration activities on the Corporation's properties;
- permitting time lines and requirements, requirements for additional capital, requirements for additional water rights and the potential effect of proposed notices of environmental conditions relating to mineral claims;
- planned exploration and development of properties and the results thereof;
- planned expenditures and budgets and the execution thereof;
- evaluation of the potential impact of future accounting changes; and
- estimates concerning recovery of accounts receivable, share-based compensation and carrying value of properties.

Statements concerning Mineral Resource (as herein defined) estimates may also be deemed to constitute forward-looking information to the extent that such statements involve estimates of the mineralization that may be encountered if a property is developed. Any forward-looking information is stated as of the date of this document and Midas Gold does not intend, and does not assume any obligation, to update such forward-looking information to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by law or regulation.

In making the forward-looking statements in this AIF, the Corporation has applied several material assumptions, including, but not limited to, that any additional financing needed will be available on reasonable terms; the exchange rates for the U.S. and Canadian currencies in 2014 and 2015 will be consistent with the Corporation's expectations; that the current exploration and other objectives concerning the Golden Meadows Project ("Golden Meadows Project" or the "Project") can be achieved and that the Corporation's other corporate activities will proceed as expected; that the current price and demand for gold and other metals will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration on the Golden Meadows Project will be obtained in a timely manner and on acceptable terms; and, the continuity of economic and political conditions and operations of the Corporation.

The forward-looking information contained herein is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by such forward-looking information. In addition to those discussed in the Corporation's public disclosure record, as well as those factors discussed in the section entitled "Risk Factors", such risks and other factors include, among others, those related to:

- fluctuations in capital markets and share prices;
- the Corporation's ability to obtain necessary financing to fund the completion of further exploration programs or the development of its mineral properties and the expected use of proceeds;
- the Corporation's dependence on one mineral project;
- the Corporation's dependence on key personnel;
- the Corporation's operations and contractual obligations;
- changes in exploration programs based upon results of exploration;
- changes in estimated Mineral Reserves (as herein defined) or Mineral Resources (as herein defined);
- future prices of metals;
- availability of third party contractors;
- availability of equipment;
- failure of equipment to operate as anticipated;
- accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry;
- the Corporation's principal property being located in the USA, including political, economic and regulatory uncertainty;
- environmental risks, including environmental matters under U.S. federal and Idaho rules and regulations;
- changes in environmental laws and regulations and changes in the application of standards pursuant to existing laws and regulations which may increase costs of doing business and restrict the Corporation's activities and operations;
- impact of environmental remediation requirements and the terms of existing and potential consent decrees on the Corporation's planned exploration on the Golden Meadows Project;
- the Corporation's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- community relations;
- delays in obtaining governmental approvals or financing;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Corporation's lack of operating revenues;

- governmental regulations and the ability to obtain necessary licences and permits;
- currency fluctuations (particularly the Canadian dollar and United States dollar); and
- estimates used in the Corporation's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Corporation's forward-looking information. Although the Corporation has attempted to identify important factors that could affect the Corporation and may cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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 forward-looking information. Accordingly, readers should not place undue reliance on such forward-looking information.

Compliance with NI 43-101

The technical information in this AIF has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and reviewed and approved by Stephen P. Quin, P. Geo., President and CEO of the Corporation and Christopher Dail, CPG, Exploration Manager of the Golden Meadows Project. The exploration activities at the Hanger Flats Deposit, Yellow Pine Deposit and West End Deposit in 2009-2011 were carried out under the supervision of Mr. Dail. Since the end of 2011, all exploration activities have been carried out under the supervision of Richard Moses, CPG, Field Operations Manager for the Corporation. Each of Mr. Quin, Mr. Dail and Mr. Moses is a Qualified Person (as hereinafter defined).

The Preliminary Economic Assessment Technical Report dated September 21, 2012 referred to herein was compiled by SRK Consulting (Canada) Inc. ("**SRK**") for Midas Gold, Inc. ("**MGI**"), a wholly owned subsidiary of Midas Gold. The following individuals are the qualified persons, as defined in NI 43-101, responsible for writing the report:

- Kevin Scott, P.Eng.
- David Rowe, C.P.G.
- John Duncan, P.Eng.
- Chris Martin, C.Eng.
- Gordon Doerksen, P.Eng.
- Dino Pilotto, P.Eng.
- Maritz Rykaart, P.Eng.
- Bruce Murphy, FSIAMM

MGI commissioned this study to provide an initial assessment of the economic potential of the Golden Meadows Project located in Valley County, Idaho, USA. The following companies also contributed to the PEA Technical Report (as defined herein), excerpts of which are included herein:

- Ausenco Solutions Canada Inc. (Ausenco) for infrastructure and mineral processing;
- Blue Coast Metallurgy (Blue Coast) for metallurgy; and
- JDS Energy and Mining Inc. (JDS) project management, environment and economic analysis.

Mineral Resources (as defined herein) that are not Mineral Reserves (as defined herein) do not have demonstrated economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include Inferred Mineral

Resources (as defined herein) that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is also no certainty that these Inferred Mineral Resources will be converted to the Measured Resource (as defined herein) and Indicated Resource (as defined herein) categories through further drilling, or into Mineral Reserves, once economic considerations are applied.

The Mineral Resources at the Golden Meadows Project are contained within areas that have seen historic disturbance resulting from prior mining activities and which have been subject to a number of regulatory actions and consent decrees in respect of these past activities. In order for the Corporation to advance its interests at the Golden Meadows Project, the project will be subject to a number of Federal, State and local laws and regulations and will require permits to conduct its activities. See "Description of the Business - Environmental and Other Matters Pertaining to the Mineral Properties".

For readers to fully understand the technical information in this AIF they should read the Technical Report (available on SEDAR at www.sedar.com under the Corporation's profile) in its entirety, including all qualifications, assumptions and exclusions that relate to the technical information set out in this AIF. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The technical information in the Technical Report is subject to the assumptions and qualifications contained in the Technical Report.

Notice to U.S. Investors on Canadian Disclosure Standard

This AIF, including any documents incorporated by reference herein, has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. In Canada, an issuer is required to provide technical information with respect to mineralization, including Mineral Reserves and Mineral Resources, if any, on its mineral exploration properties in accordance with Canadian requirements, which differ significantly from the requirements of the SEC applicable to registration statements and reports filed by United States companies pursuant to the U.S. *Securities Act of 1933* or the United States *Securities Exchange Act of 1934*, as amended (the "**U.S. Exchange Act**"). As such, information contained in this AIF and the documents incorporated by reference herein concerning descriptions of mineralization under Canadian standards may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the U.S. Securities and Exchange Commission ("**SEC**").

As noted above, this AIF and the documents incorporated by reference herein include Mineral Resource estimates that have been calculated in accordance with NI 43-101, as required by Canadian securities regulatory authorities. In particular, this AIF and the documents incorporated by reference herein use the terms "Indicated Mineral Resource" and "Inferred Mineral Resource." While these terms are recognized and required by Canadian regulations (under NI 43-101), the SEC does not recognize them. In addition, the documents incorporated by reference in the AIF include disclosure of "contained ounces" of mineralization. Although such disclosure is permitted under Canadian regulations, the SEC only permits issuers to report mineralization as in-place tonnage and grade without reference to unit measures.

The definitions of Proven and Probable Mineral Reserves (as defined herein) used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Under SEC Industry Guide 7 (under the U.S. Exchange Act), as interpreted by the staff of the SEC, mineralization may not be classified as a "reserve" for United States reporting purposes unless the determination has been made that the mineralization could be

economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards.

United States investors are cautioned not to assume that any part or all of the mineral deposits identified as an "Indicated Mineral Resource" or "Inferred Mineral Resource" will ever be converted to Mineral Reserves as defined in NI 43-101 or SEC Industry Guide 7. Further, "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian securities legislation, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except in certain specific cases. U.S. investors are cautioned not to assume that part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.

GLOSSARY OF TECHNICAL TERMS

Conversion Factors

To Convert From	To	Multiply By
Feet	Metres ("m")	0.305
Metres	Feet ("ft")	3.281
Miles	Kilometres ("km")	1.609
Kilometres	Miles	0.6214
Acres	Hectares ("ha")	0.405
Hectares	Acres ("ac")	2.471
Grams	Ounces (Troy) ("oz")	0.03215
Grams/Tonnes	Ounces (Troy)/Short Ton ("oz/ton")	0.02917
Tonnes (metric)	Pounds	2,205
Tonnes (metric)	Short Tons	1.1023

The following is a glossary of certain technical terms used in this AIF:

"**Acre**" or "**ac**" means an area of 4,840 square yards or 43,560 square feet or 0.4047 hectares.

"**Alteration**" means any change in the mineralogical composition of a rock that is brought about by physical or chemical means.

"**Assay**" means, in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.

"**Au**" means gold.

"**bedrock**" means solid rock underlying surficial deposits.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**Deposit**" means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

"**Dip**" means the angle at which a stratum is inclined from the horizontal.

"**EM**" means electromagnetics, a geophysical technique for detecting mineralization.

"**Fault**" means a fracture in a rock along which there has been relative movement between the two sides either vertically or horizontally.

"**feasibility study**" means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.

"**Fracture**" means a break in a rock due to intensive folding or faulting.

"**g/t Au**" means grams of gold per tonne of material.

"**Geophysical survey**" means the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarization and other techniques, and geophysical surveys can be undertaken from the ground or from the air.

"**Grade**" means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals, as percent (%) for antimony, copper, lead, zinc and nickel.

"**Hectare**" means an area equal to 100 metres by 100 metres.

"**Host**" means a rock or mineral that has been intruded by younger rocks or minerals.

"**Indicated Resource**" or "**Indicated Mineral Resource**" as defined in NI 43-101 refers to that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"**Inferred Resource**" or "**Inferred Mineral Resource**" as defined in NI 43-101 refers to that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"**ha**" means hectare(s).

"**Intrusion**" means the process of emplacement of magma in a pre-existing rock, and also the igneous rock mass so formed.

"**km**" means kilometre(s).

"**m**" means metre(s) (3.281 feet).

"**M**" means million.

"**Measured Resource**" or "**Measured Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"**Mineralization**" means the concentration of metals and their chemical compounds within a body of rock.

"**Mineral Reserve**" or "**mineral reserve**" means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic viability and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

"Mineral Resource" or **"mineral resource"** means a concentration or occurrence of material or intrinsic economic interest in or on the Earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

"NI 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"Ore" means a metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be mined at a profit.

"Ounce" or **"oz"** means a troy ounce or twenty penny weights or 480 grains or 31.103 grams.

"Outcrop" means an exposure of bedrock at the surface.

"plan of operations" or **"Plan of Operations"** for a mining project on National Forest Lands is a summary of activities intended proposed to occur on Federal Lands. The plan provides the Forest Service with a list of the proponents contact and legal information, name of mining district or mineralized area, surface disturbance map, description of the type and magnitude of proposed operations, estimated timing of activities, and plans for reclamation of disturbed areas during and following mining related activities.

"POx" means pressure oxidation.

"preliminary economic assessment" or **"PEA"** means a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources.

"pre-feasibility study" or **"preliminary feasibility study"** or **"PFS"** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve

"Probable Reserves" or **"Probable Mineral Reserves"** means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"Proven Reserves" or **"Proven Mineral Reserves"** means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"Pyrite" means a mineral composed of iron and sulphur (FeS₂).

"Qualified Person" conforms to that definition under NI 43-101 and means an individual who (a) is an engineer or geoscientist with at least five years' experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project and the technical report; and (c) is in good standing with a designated professional association.

"Quartz" means a mineral composed of silicon and oxygen (SiO₂).

"**RC**" means reverse circulation.

"**Sampling**" means a technique for collecting representative sub-volumes from a larger volume of geological material. The particular sampling method employed depends on the nature of the material being sampled and the kind of information required.

"**Sediment**" means a solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.

"**Strike**" means direction or trend of a geologic structure.

"**Sulphide**" means a group of minerals in which one or more metals are found in combination with sulphur.

"**Tonne**" means a metric unit of mass equivalent to volume multiplied by specific gravity; equivalent to 1.102 tons or 1,000 kilograms (2,204.6 pounds).

"**Vein**" means a sheet-like intrusion into a fissure or crack, commonly bearing quartz.

CORPORATE STRUCTURE

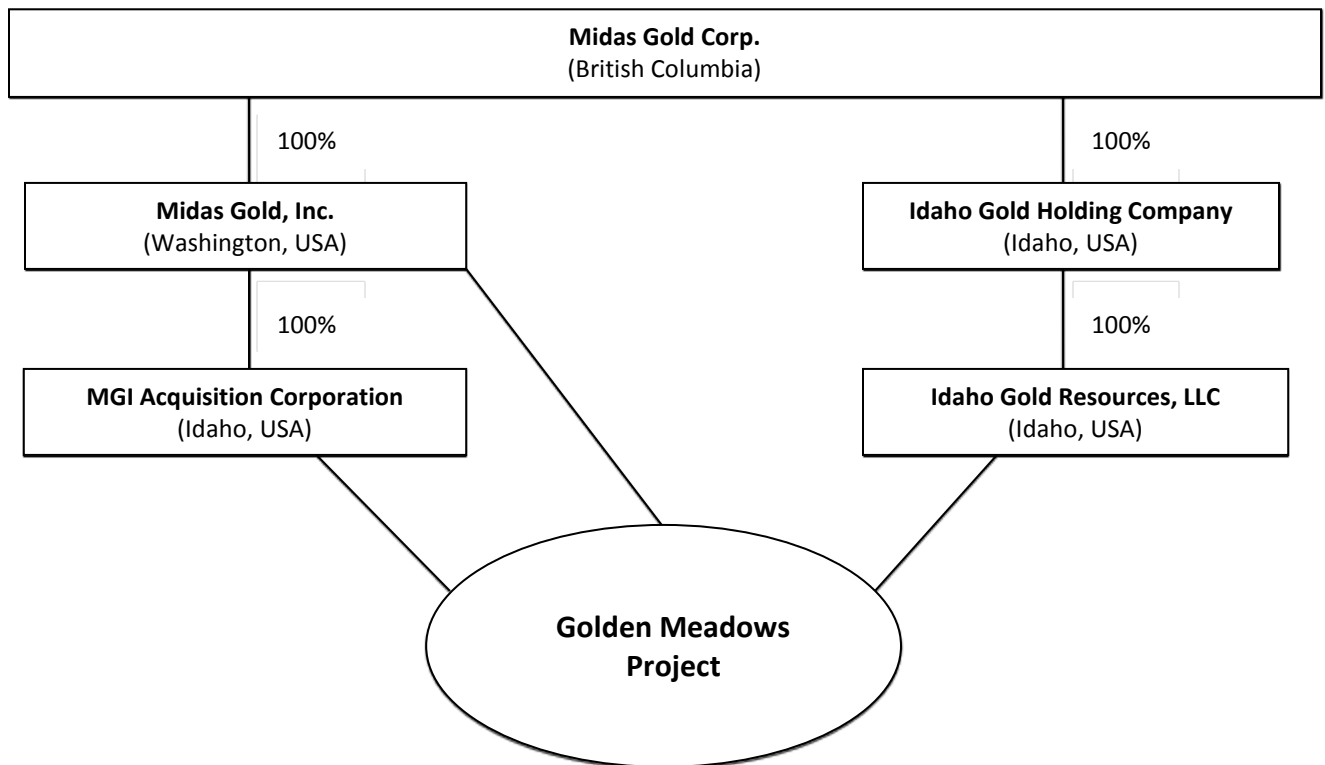
Corporate Structure

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on February 22, 2011 under the name "Midas Gold Corp."

The Corporation's head office and its registered and records office is located at Suite 1250, 999 West Hastings Street, Vancouver, British Columbia V6C 2W2.

Organization Chart

The following chart shows the intra-corporate relationships between the Corporation and its subsidiaries:



Unless the context otherwise indicates, reference to the term the "Corporation" or "Midas Gold" in this AIF includes Midas Gold Corp. and its subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History and Significant Acquisitions of the Corporation and its Subsidiaries

The following provides disclosure of the history of the Corporation from its inception, and MGI and Idaho Gold Resources, LLC ("**Idaho Gold**") for the last three years:

The Corporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on February 22, 2011 under the name "Midas Gold Corp." for the purpose of completing a corporate reorganization (the "**Reorganization**") pursuant to a combination agreement dated February 22, 2011 (the "**Combination Agreement**") among the Corporation, MGI, Vista Gold US, Inc. ("**Vista US**") and Idaho Gold. A copy of the Combination Agreement is available on SEDAR at www.sedar.com under the Corporation's profile.

The Corporation is an exploration-stage company engaged in exploring and acquiring mining properties with the intention of placing them into production. Its principal business is the exploration and, if warranted, development of the Golden Meadows Project in Idaho, USA. The Corporation released its initial NI 43-101 Mineral Resource estimate on the Hangar Flats, Yellow Pine and West End Deposits, which comprise the Golden Meadows Project, in the first half of 2011.

On April 6, 2011, MGI completed a transaction (the "**Transaction**") whereby the Corporation, which owned the Hangar Flats and West End Deposits in Idaho, and the US subsidiaries of Vista Gold Corp. ("**Vista**"), which owned the Yellow Pine Deposit adjacent to MGI's properties, became wholly owned subsidiaries of the Corporation in accordance with the terms of the Combination Agreement. MGI and the US subsidiaries of Vista executed the Combination Agreement in February 2011 whereby they contributed their respective Idaho gold assets through a share exchange and contribution to Midas Gold Corp., which was a private company at that time. Upon completion of the Transaction and approval of MGI's shareholders at its 2011 Annual General Meeting, Midas Gold was owned, on a fully diluted basis, approximately 65% by MGI and 35% by Vista US.

Also on April 6, 2011, Midas Gold completed a private placement financing with institutional and individual investors comprised of approximately 6.1 million shares at C\$2.50 per share for gross proceeds of approximately C\$15.3 million.

Pursuant to an agency agreement dated as of June 30, 2011 (the "**Agency Agreement**"), the Corporation appointed Haywood Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp. and Macquarie Capital Markets Canada Ltd. (collectively, the "**agents**"), and the Corporation completed its \$40 million initial public offering ("**IPO**") of 12,307,700 common shares at a price of \$3.25 per share on July 14, 2011 and began trading on the TSX under the symbol "MAX". Under the terms of the Agency Agreement, the agents received a cash commission equal to 6% of the gross proceeds of the IPO, (including in relation to an over-allotment option) payable in cash, and as well as payment of the agents' expenses in connection with the IPO.

In the fall of 2011, as a result of a geophysical survey flown by MGI, the Corporation staked an additional 7,284 hectares which brought its land holdings up to 11,600 hectares.

Pursuant to an underwriting agreement dated as of February 14, 2012 (the "**Underwriting Agreement**") among the Corporation and Haywood Securities Inc., Macquarie Capital Markets Canada Ltd., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc. and Desjardins Securities Inc. (collectively, the "**underwriters**"), the Corporation closed a \$40.4 million private placement financing by issuing a total of 9,085,000 special warrants (the "**Special Warrants**") of the Corporation at a price of \$4.45. The offering included 7,900,000 Special Warrants and the exercised over-allotment option for an additional 1,185,000 Special Warrants of the Corporation. The 9,085,000 common shares underlying the Special Warrants were issued without additional payment upon the deemed exercise of the 9,085,000 Special

Warrants on March 14, 2012, such date being the third business day following issuance of the receipt in respect of the final short-form prospectus qualifying the distribution of such common shares issued by the securities commissions in each of the offering jurisdictions (British Columbia, Alberta, Ontario and New Brunswick).

On September 4, 2012, Midas Gold publicly announced that it had completed a PEA for the Golden Meadows Project and the Corporation subsequently filed a technical report September 21, 2012, titled "Preliminary Economic Assessment Technical Report for the Golden Meadows Project, Idaho" (the "**PEA Technical Report**") prepared by SRK for MGI. The reported purpose of the study was to (a) provide a preliminary concept for the scale and type of mining project that the Golden Meadows Project could support, (b) identify options and alternatives for consideration by Midas Gold in consultation with regulators, governments, communities and other interested parties, (c) identify areas where additional work is required before a pre-feasibility study can be completed, and (d) demonstrate potential for positive economic returns that would support continued investment in the Golden Meadows Project. For details of the Mineral Resource estimate, please see "Description of the Business", below.

During the year ended December 31, 2013, the Corporation continued its exploration and evaluation program at the Golden Meadows Project and results of the programs reported to date are available on the Corporation's website or under the Corporation's profile on SEDAR. In an effort to advance the exploration and evaluation of the Golden Meadows Project, the Corporation conducted two drill programs in 2013, the information generated from which is being used to update the Mineral Resource estimates for each of the three deposits comprising the Golden Meadows Project as well as other Mineral Resources at Golden Meadows. The first drill program took place in early 2013; field operations were then scaled back through spring runoff and thereafter core drilling resumed for the summer and fall season. Engineering and Regulatory efforts continued through the year and will continue into 2014. The drill results from the 2012 and 2013 drilling are being incorporated into updated Mineral Resource estimates for all three of the known deposits and, on October 7, 2013, a Mineral Resource estimate was announced for the tailings generated during prior operating periods. All estimates will be incorporated into an independent pre-feasibility study that is scheduled for completion in mid-2014, along with results of extensive environmental baseline data collection, metallurgical testing and engineering studies. The Corporation plans to use the PFS as the basis to commence permitting on the Golden Meadows Project with the filing of a Plan of Operations in late 2014, should results of the PFS and other circumstances warrant.

On May 9, 2013, Midas Gold and its subsidiaries completed a \$15.0 million transaction with Franco-Nevada Corporation ("**Franco-Nevada**") and one of its subsidiaries whereby Midas Gold agreed to sell certain rights to a royalty on future gold production from the Golden Meadows Project for a cash payment of \$14.65 million, and included a subscription agreement for two million warrants exercisable for shares of Midas Gold for proceeds of \$0.35 million. Midas Gold may repurchase one third of the royalty for \$9.0 million within three years of the transaction closing.

On July 4, 2013, the Corporation closed a non-brokered private placement with Teck Resources Limited ("**Teck**") for 12,740,000 common shares at a price of \$0.77 per share, for gross proceeds of \$9,809,800. As a result of the placement, Teck owns approximately 9.9% of the issued and outstanding shares in Midas Gold.

In October 2013, the Corporation achieved a quotation on the OTCQX International segment of OTCQX Marketplace in the USA, which should provide for greater access to US capital markets and an additional trading platform for shareholders.

On February 14, 2014, Vista reported that it had sold 16 million shares of its holdings in the Corporation, reducing its holdings from its previously held 24.9%. As a result of this sale, Vista currently holds, directly and indirectly through Vista US, an aggregate of 15,802,615 common shares of the Corporation, representing approximately 12.4% of the outstanding common shares of the Corporation. Vista has agreed not to sell any of these shares of the Corporation for a period of 12 months from the date of the above mentioned sale.

On February 25, 2014, the Corporation announced its intent to enter into a \$10.0 million private placement with a limited number of subscribers which was further upsized and completed in two tranches on March 4 and March 7, 2014 for aggregate proceeds of \$12.8 million and issuing an aggregate of 14,167,621 Units. Each Unit is comprised of one common share in the capital of the Company (a "Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of the Company. Each Warrant entitles the holder to acquire one additional common share of Midas Gold (a "Warrant Share") at a price per Warrant Share of C\$1.20 until March 4, 2016. Teck exercised its right to participate in the Financing and acquired 1,277,621 Units under the Financing. As a result, on the closing date of the placement, Teck held an aggregate of 14,017,621 common shares and 638,810 Warrants of Midas Gold, and its holdings represent approximately 9.9% of the outstanding Midas Gold common shares on a non-diluted basis and approximately 10.3% on a partially diluted basis (assuming the exercise of all Warrants held by Teck and no other convertible securities of Midas Gold).

The Corporation acquired title to the Golden Meadows Project through the Reorganization and several transactions to which its wholly-owned subsidiaries, MGI and Idaho Gold were parties. All title is held at 100% through patented and unpatented mineral claims. However, the Cinnabar claims are not owned by the Corporation but are subject to an option agreement whereby the Corporation may purchase a 100% interest. During 2012, the Corporation completed the acquisition of the patented Yellow Pine claims through the payment of its final option payment of \$100,000 in accordance with the option to purchase agreement between Bradley Mining Company and Idaho Gold dated November 7, 2003. In total, the Corporation paid \$1,000,000 under this agreement. The Cinnabar claims are part of the Golden Meadows Project and are subject to an option agreement between MGI Acquisition Corporation and JJO, LLC dated May 3, 2011, whereby on payment of \$150,000 on signing and \$100,000 per year for six years paid on the anniversary of signing, the Corporation has the option to purchase 100% of the Cinnabar claim group. As at December 31, 2013, four payments of \$100,000 remain outstanding and \$350,000 has been paid to date. At completion of the option agreement in relation to the Cinnabar claims the Corporation would have paid \$750,000.

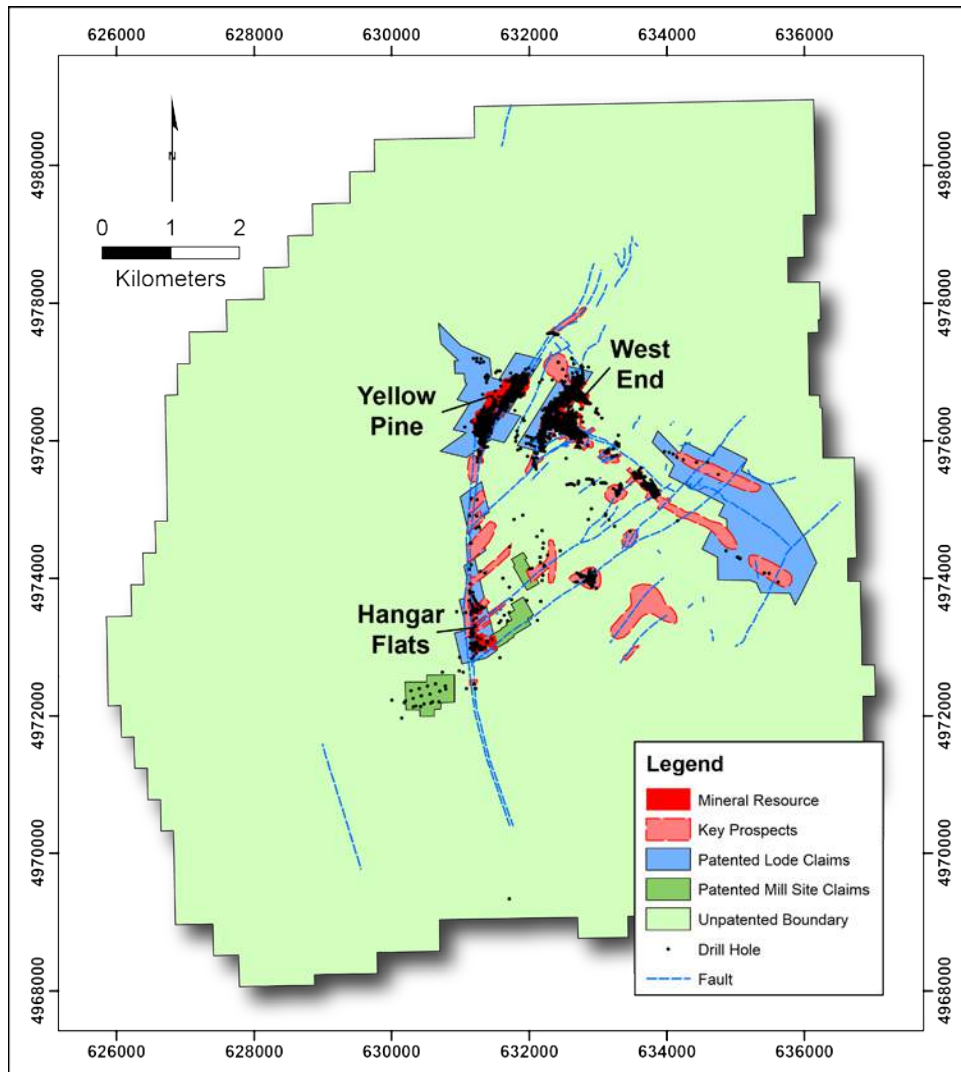
DESCRIPTION OF THE BUSINESS

The Corporation is an exploration-stage company engaged in exploring and acquiring mining properties with the intention of placing them into production. Its principal business is the exploration and, if warranted, development of the Golden Meadows Project in Idaho, USA.

Mineral exploration and development are expected to constitute the principal business of the Corporation for the coming years. In the course of realizing its objectives, it is expected the Corporation may enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and joint venture agreements.

The Corporation's principal mineral project is the Golden Meadows Project, which contains several mineral deposits. The Corporation's current focus is to explore and potentially develop three of the deposits known as the Hanger Flats Deposit, West End Deposit and Yellow Pine Deposit, all of which are

located within the Golden Meadows Project as shown in the location map below.



At December 31, 2013, the Corporation had 34 full time employees. A total of 28 employees were employed in mineral exploration and development activities, with the remaining 6 persons employed in respect of executive management and administrative support. The Corporation also contracts out certain activities, such as drilling, to specialized service providers. As a result of the seasonal nature of field activities, the number of people on site and in the Corporation's Lake Fork facilities can vary. Typically there could be 50 or more persons engaged in field activities on site when actively drilling with multiple rigs, and an additional 10 or more people providing support activities in Lake Fork. These numbers are significantly lower when there is no drilling underway. Significant aspects of the exploration and development business require specialized skills and knowledge in areas that include geology, mining, metallurgy, engineering, environmental contamination treatment, permitting and regulatory compliance, as well as environmental and social policy issues. While recent activity within the industry in general has made it more challenging to recruit and retain qualified employees, Midas Gold has been successful to date in recruiting and retaining key personnel necessary to its operating needs.

Summary of the Golden Meadows Project

The following description of the Golden Meadows Project in Idaho is derived from the summary

contained in the PEA Technical Report, which summary has been updated to reflect events that occurred subsequent to the date of the PEA Technical Report. The entire PEA Technical Report is incorporated by reference into this AIF except to the extent that its contents are modified, updated or superseded by a statement contained in this AIF (which does not need to state that such statement has modified, updated or superseded such contents). For readers to fully understand the information in this AIF, they should read the PEA Technical Report (available for review under the Corporation's profile on SEDAR at www.sedar.com) in its entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this document which qualifies the technical information set out in the PEA Technical Report. The PEA Technical Report is intended to be read as a whole, and summaries or sections should not be read or relied upon out of context. The technical information in the PEA Technical Report is subject to the assumptions and qualifications contained therein. See also "Description of the Business –2013 Exploration Activities & Expenditures" for an overview of activities on the Golden Meadows Project since the date of the PEA Technical Report.

Readers should note that the mine plan and economic model in the PEA Technical Report include the use of Inferred Mineral Resources. Inferred Mineral Resources are considered to be too speculative to be used in an economic analysis except as permitted under NI 43-101 in PEA studies. There is no guarantee that Inferred Mineral Resources can be converted to Indicated or Measured Mineral Resources, and, as such, there is no guarantee the Project economics described herein and in the PEA Technical Report will be achieved.

Golden Meadows Project

Property Location and Description

The Golden Meadows property lies in Valley County, Idaho approximately 153 km by air or 240 km by road northeast of Boise, Idaho, 64 km east of McCall, Idaho, and approximately 16 km east of the village of Yellow Pine, Idaho. The property is centred at latitude 44°54'04" N and longitude 115°20'19" E. The property is in mountainous terrain at an elevation of approximately 2,000 m above sea level. The East Fork of the South Fork of the Salmon River ("EFSFSR") is located over the central portion of the Yellow Pine Deposit and is within approximately 700 m and 500 m of the planned West End and Hangar Flats deposits, respectively.

The recommended Golden Meadows plant would be located in a past-producing area near the site of the historical town of Stibnite. Since the late 1920s, gold, antimony, tungsten, and mercury mineralized materials were mined in the area by both underground and, later, open pit methods, creating numerous open pits, underground workings, and large-scale waste rock dumps, heap leach pads, spent heap leach ore piles, tailings depositories, a mill site, a town site, an airstrip, and other disturbances which have seen limited reclamation and restoration. Antimony-tungsten-gold sulphide milling operations ceased in 1952 as a result of lower metal prices, mercury operations at Cinnabar continued until 1963, while open pit mining and seasonal on-off heap leaching extended from 1982 to 1997.

Ownership

Midas Gold's property holdings consist of approximately 10,968.6 hectares of patented and unpatented claims comprised of 93 hectares of unpatented mill site claims, 486 hectares of patented federal lode claims, 61 hectares of patented mill site claims, and 1,342 unpatented federal lode claims. A formal title review of the property holdings was performed by a qualified, independent, title examiner as part of the underwriting for Midas Gold's Initial Public Offering (IPO) and updated for subsequent financings and no significant flaws or title issues were identified. Table i lists a summary of the mineral concessions.

Table i: Midas Gold Claims Summary

Type	Hectares	Number of Claims
Unpatented Federal Lode Claims	10,329.0	1,342
Unpatented Federal Mill Site Claims	93.1	46
Patented Lode Claims	485.6	65
Patented Mill Site Claims	60.9	30
Totals	10,968.6	1,483

Subsequent to the date of the PEA Technical Report, the Corporation sold certain rights to a royalty on future gold production from the Project to Franco-Nevada. See "General Development of the Business – Three Year History and Significant Acquisitions of the Corporation and its Subsidiaries".

Environmental and Other Matters Pertaining to the Mineral Properties

The Golden Meadows Project is located in an historic mining district that has had active mining activities, associated ancillary operations and reclamation activities, that produced environmental disturbances spanning from the early 1900s through mid-2005, a period of nearly 100 years. Through this period, various mining practices and waste management methods were used with varying degrees of success in properly managing environmental impacts. In years prior to, during and following the Second World War, the principal focus in the District was the mining and recovery of antimony and tungsten (with gold as a by-product) which, due to the strategic nature of the products, was encouraged, subsidized and supervised by the US Government, including underground mining at the DMEA (US Defense Mineral Exploration Administration) mine (north of the Hangar Flats Deposit), open pit mining at the Yellow Pine open pit milling of ore produced from both operations to produce antimony, tungsten and gold concentrates and, in the latter years, on-site smelting of the concentrates produced. During the 1970s through 1990s, additional open pit gold mining and heap leaching occurred on the site and remnants of those operations exist today. Previous clean-up and remedial actions by prior industry operators and government agencies have addressed some of the historic environmental issues in the District. To the knowledge of the Corporation, such clean-up and remedial actions were comprised principally of re-routing Meadow Creek to divert around tailings, construction of a retention dam, re-vegetation of the Meadow Creek flood plain, treatment of water flow, stabilization and reclamation of tailings, encapsulation of tailings, removal of mill tailings, removal of smelter equipment, structures, and mill related equipment including the smelter stack, removal of the heap leach processing plant, reclamation of heap leach related infrastructure and equipment, and other waste removal.

Jurisdictional Authorities

For its activities at the Golden Meadows Project, the Corporation is and will be subject to federal, state and local statutes, rules and regulations designed, among other things, to protect the quality of the air, surface water and ground water and soils, to protect historic and cultural resources, to give notice and to provide comment on government actions, to control access to and construction on lands and to protect threatened, endangered or other species by planned exploration activities in the District. The Golden Meadows Project is currently, and will in the future be, subject to laws, rules, policies and regulations of several regulatory or governmental authorities that may have a direct bearing on these activities, as well as any future potential mining activities, should they occur. There are several major laws and regulations to which any future mining activities would be subject and which may require the Corporation to participate in environmental remediation actions.

The potential effects of future exploration activities on surface and groundwater water quality, aquatic habitat and fisheries will be managed by the Corporation as part of carefully designed programs implemented by the Corporation to mitigate and monitor these activities for potential environmental impacts. These activities will be part of plans of operations, which are to be reviewed and approved by the US Forest Service, the Idaho Department of Lands and other agencies. Future mining development will depend on the results of this exploration effort, as well as metals prices and project feasibility studies and economics.

Subsequent to the completion of the PEA, in December 2013, the US Forest Service approved the Corporation's plan of operations to conduct exploration activities for a three year period (2014-16) on certain portions of the Project following completion of an Environmental Assessment ("EA") process. During the review and approval process for the EA, certain parties filed objections to components of the plan of operations for exploration and, while no avenues for administrative appeals of the US Forest Service approval remain, these or other parties could challenge the validity or basis of the US Forest Service decision in court. The Corporation notes that the EA and related plan of operations applies only to US Forest Service land and therefore covers areas that are either future exploration targets or are peripheral to the principal mineral deposits at the Golden Meadows Project, so a challenge to the US Forest Service decision would not impede the Corporation's ability to conduct work, including drilling, on its patented mineral claims that encompass the substantial majority of the mineral resources at the Golden Meadows Project.

Various regulatory agencies will be involved in ensuring the Corporation's ability to incorporate sound environmental management strategies in project designs and plans of operations to mitigate the potential effects on the environment during potential future operations. Effective reclamation or post-operations environmental monitoring requirements will be required to evaluate the effectiveness of these programs and to reclaim and rehabilitate the lands affected by a mining facility once any commercial operations have ceased.

Overview of the Due Diligence Done by Midas Gold

A number of environmental studies and regulatory investigations in the District identified numerous areas of potential environmental degradation related to historic mining and are discussed below.

In the past, regulatory actions under the *Comprehensive Environmental Response, Compensation, and Liability Act* ("**CERCLA**"), the *Resource Conservation and Recovery Act* ("**RCRA**") and state law have been taken by the U.S. Environmental Protection Agency ("**EPA**"), the Forest Service, the Idaho Department of Lands and the Idaho Department of Environmental Quality against historic mining operators including Bradley Mining Company. Mining waste is generally exempt from RCRA requirements pursuant to the Bevill Amendment (which excluded "solid waste from the extraction, beneficiation, and processing of ores and minerals" from regulation as hazardous waste under Subtitle C of RCRA). In at least one case, the U.S. government was held partly financially responsible for some of the environmental damages in the District. All of these regulatory activities and related clean-up programs pre-date any ownership or exploration by MGI, Idaho Gold or the Corporation. In 2009 and 2010, MGI and Vista US contracted Millennium Science & Engineering, Inc. ("**MSE**") to conduct Phase I and Phase II Environmental Site Assessments ("**ESAs**"), as prescribed by the American Society for Testing and Materials ("**ASTM**") Standard Practices for Environmental Site Assessments: Phase I Environmental Site Assessment Process (E-1527-05) and Phase II Site Assessment Process (E-1903-97) for multiple parcels within the District project area. MSE's work is documented in a Phase I ESA dated January 12, 2011 and a Phase II Environmental Analysis and Review report dated January 14, 2011. Parcels within the District that were optioned or acquired in April and May 2011 were not part of the ESAs but will be assessed in the future.

These parcels make up the Cinnabar / Fern assemblage east of the core resource area and are in areas not considered as necessary for any of the conceptual operations described in the PEA.

An objective of these studies was to develop a framework for the Corporation to qualify for the Bona Fide Prospective Purchaser ("**BFPP**") defense, which provides qualifying owners relief from CERCLA liability that accrued prior to the owner's purchase, on those parcels. CERCLA provides a mechanism by which a qualifying prospective purchaser will not be held liable for CERCLA clean-up costs for contamination that is present on the property when the property is purchased. A purchaser who acquires hazardous-waste contaminated property after January 11, 2002, and who complies with eight specific statutory criteria, will not incur CERCLA liability for pre-purchase contamination merely for being an owner of that property. There is no assurance at this time that the Corporation will be deemed to be a BFPP under CERCLA. However, MGI has developed and is implementing an affirmative BFPP program involving continued appropriate inquiry and application of best management practices ("**BMPs**") and control measures to meet continuing obligations at the site. See "Risk Factors".

The results of the ESAs indicate that overall water quality in all drainages is good given the duration and extent of mining. MSE's Phase I ESA identified 88 potential or known RECs in its Summary of RECs table, which included several redundant items (e.g., RECs that span both patented and unpatented property boundaries are counted more than once). Based strictly on location or legacy site features, there are approximately 24 distinct RECs that the Corporation continues to evaluate on an individual basis. There are also some non-ASTM (e.g., geotechnical) issues that are counted in MSE's REC total. MSE categorized the RECs with a risk rating as follows:

<u>REC Category</u>	<u>Number</u>	<u>Description of Category of REC</u>
Critical	0	Imminent threats to human health or the environment
Significant	15	High volume of waste or potential for high contaminant concentrations
Moderate	40	Moderate volume of waste, footprint or potential contaminant concentrations
Low	33	Low or unlikely to impact surface or groundwater

Out of the 88 MSE RECs, none are in the "Critical" category. RECs classified as "Significant" include residual leaching of spent ore, leaching of metals into groundwater and soil, discharge of contaminated groundwater to surface water, metals contamination of shallow alluvian aquifer, transport of metals-laden sediment into surface water, presence of metals above drinking water standards in Meadow Creek, waste rock drainage and metals-laden sediment in pit lake. However, as noted above, none were deemed "Critical", and no RECs appear to be imminent threats to human health or the environment worthy of time-critical removal actions. Many RECs are expected to provide continuous, low-level metal releases to the environment for a long period of time. At the very least, these RECs will require, among other things, long-term monitoring and maintenance. Several could require mitigation as a condition of a future operating permit or approval, should mine development be proposed. Alternatively, more intensive mitigation and remedial action could be mandated if selected features are disturbed by future exploration, development or mining operations or if agencies require such mitigation as a condition of a future permit or approval. It is not anticipated that remediation activities presently in place at the Golden Meadows Project will prevent the Corporation from conducting its contemplated exploration activities. While presently unknown, there is a risk that future mandated remediation activities may impact upon exploration activities. See "Description of the Business – Risk Factors".

Portions of the Golden Meadows Project were historically identified by EPA as the Yellow Pine mine and were placed on the Federal Facilities Docket on September 25, 1991 and are currently listed on the Comprehensive Environmental Response, Compensation, and Liability Information System ("CERCLIS") List (No. ID9122307607). There are several operating units defined within the Golden Meadows Project. As a result of environmental damage relating to past historic mining operations, the Yellow Pine mine site was proposed for listing on the National Priorities List ("NPL") on September 13, 2001; however, the risks were determined by EPA to be too low for the site to be listed on the NPL, and no further public action has been pursued to this date.

Consent Decrees under CERCLA

Several of the patented lode and mill site claims acquired by MGI comprising part of the West End Deposit, and the Cinnabar claims held under option from the Estate of J.J. Oberbillig are subject to a consent decree entered in the United States District Court for the District of Idaho (*United States v. Estate of J.J. Oberbillig*, No. CV 02-451-S-LMB (D. Idaho)) in 2003, involving or pertaining to environmental liability and remediation responsibilities with respect to the affected properties described therein. This consent decree provides the regulatory agencies that were party to the agreement access and the right to conduct remediation activities under their respective CERCLA and RCRA authorities as necessary and required to prevent the release or potential release of hazardous substances. In addition, the consent decree requires that heirs, successors and assignees refrain from activities that would interfere with or adversely affect the integrity of any remedial measures implemented by government agencies.

The Idaho Gold mineral properties and that portion of MGI's mineral properties acquired from Bradley Mining Company pursuant to the Bradley Mining Agreement (i.e., collectively, the Hangar Flats Deposit and Yellow Pine Deposit) are subject to a consent decree that was entered in two United States District Court cases (*United States v. Bradley Mining Co.*, No. 3:08-CV-03986 TEH (N.D. Cal.) and *United States v. Bradley Mining Co.*, No. 3:08-CV-05501 TEH (N.D. Cal)). The first case concerned Bradley Mining's Sulphur Bank Mercury Mine Superfund Site in Lake County, California while the second case was related to the Stibnite Mine site in Valley County, Idaho (part of the Golden Meadows Project). On December 7, 2011, these two cases were consolidated into one case (*United States v. Bradley Mining Co.*, No. 3:08-CV-03986 TEH (N.D. Cal.)). A proposed consent decree was lodged on February 14, 2012 and approved on April 19, 2012 after appropriate public comment. The consent decree includes a financial order against Bradley Mining and related terms. The consent decree also states that if EPA or the Forest Service determines that "land/water use restrictions in the form of state or local laws, regulations, ordinances or other governmental controls are needed to implement response activities at the Stibnite Mine Site, ensure the integrity and protectiveness thereof, or ensure non-interference therewith" Bradley Mining agrees to cooperate with EPA's or the Forest Service's efforts to secure such governmental controls.

The Corporation cannot ensure it has identified every consent decree or administrative order which may affect the Golden Meadows Project.

Future Plans for the Environmental Issues

Before any future mining is proposed, the site's current and potential RECs will be further characterized to facilitate disclosure requirements under environmental and mining related laws and regulations. The Corporation expects it will need to address areas of existing environmental concern as part of the permitting process to satisfy regulatory requirements for any future mining operations. Further, many of the RECs occur in areas adjacent to, and in a few cases overlying, the Mineral Resources defined by the Corporation and would therefore need to be removed and/or remediated as part of the overall development, operation and post-operations reclamation of the site. As a Standard Operating Procedure (SOP) during exploration, MGI has avoided land-disturbing activities involving RECs. The Corporation has no plans to undertake any exploration or remediation or mitigation measures in the District that would materially increase its CERCLA liability. See "Description of the Business - Risk Factors".

The Corporation recognizes the need to maintain the current designated uses, to improve water quality, wildlife and aquatics habitat where practicable and to reduce sediment loads in the Golden Meadows Project area wherever feasible as a component of its ongoing exploration activities, as well as to provide for future mining activities, should they occur. To meet these needs, the Corporation has instigated a three-tier program to address known RECs and to investigate potential RECs. Under Tier 1 of the strategy, during 2009 through 2013, MGI conducted voluntary environmental remediation work which is expected to result in the Corporation earning additional sediment credits to count toward the watershed's allowable sediment budget, subject to regulatory approvals. During 2014 and beyond, MGI plans to continue its voluntary remediation work. Such remediation work could include improving the roadbed on existing access roads to reduce sediment run-off, working with agencies to replace washed-out or undersized drainage crossings to reduce sediment load and re-vegetating waste rock dumps to reduce sediment run-off through extensive tree planting. Contingent upon the results of the program, the Corporation may be required to undertake further investigations or remediation activities.

Tier 2 remediation will involve, as practicable, incorporation on remediation and cleanup into the life of mine ("**LOM**") plan. Tier 3 activities will be directed at addition cleanup to be integrated into the final closure and reclamation plans. This three-tiered strategy summarizes the Corporation's program to continue to make all appropriate inquiry as to RECs and to meet its continuing legal and regulatory obligations.

Sampling Method, Approach and Analyses

All exploration activities at Golden Meadows through to the end of 2011 were carried out under the supervision of Christopher Dail, CPG, Qualified Person and Exploration Manager for the Golden Meadows Project. Since the end of 2011, all exploration activities have been carried out under the supervision of Richard Moses, CPG, Qualified Person and Field Operations Manager for the Corporation.

Samples are transported, handled and stored with chain of custody procedures. Core is sawed or split in representative halves with one half submitted to the laboratory for analysis and the second half of the split saved for archival purposes. Typical core samples are 1-2m in length. All gold assays are by a 30g Fire Assay charge followed by an atomic absorption finish (with a 0.005g/t lower reporting limit). Samples reporting values $\geq 6\text{g/t}$ are re-analyzed using a 30g Fire Assay charge followed by a gravimetric finish. Silver is analyzed via a 4-acid digestion followed by an ICP finish (with a 0.5/t lower reporting limit). Samples reporting values $\geq 10\text{g/t}$ Ag are reanalyzed using a 50g Fire Assay charge followed by a gravimetric finish. Antimony is analyzed via a 4-Acid digestion with ICP finish with a 5g/t lower reporting limit. Samples reporting values $\geq 500\text{g/t}$ antimony are reanalyzed using XRF fusion. Analyses are carried out by ALS CHEMEX in their Reno and Winnemucca, Nevada and Vancouver, British Columbia

laboratories. Blanks, standards and duplicates are inserted into the laboratory sample stream and routinely analyzed and checked against expected values. Quality control failures are addressed prior to public reporting of results and acceptance of results. Umpire samples are routinely submitted to third party labs and blank and standard samples are used for quality assurance and quality control.

History of the District

Gold and antimony mineralization were discovered in the Hangar Flats area around 1900. Initial prospecting and development attempts focused on outcropping gold-silver-antimony mineralization, principally in the Meadow Creek area. The 1919 Idaho Inspector of Mines Annual Report noted "*...bold zonal mineral croppings on a steep mountain side that vary from 20 to 50 feet in width and are said to carry average values of 17 ounces silver and several dollars in gold associated with disseminated antimony sulfide...*"

The Meadow Creek mine area (north of the Hangar Flats Deposit) was consolidated under the Bradley Mining Company and the mine was systematically explored and developed on six levels and numerous drifts, crosscuts, raises, winzes and stopes in the mid-1920s. It subsequently produced gold, silver and antimony from sulfide ores which the Corporation understands was with associated pyrite, arsenopyrite, and stibnite which were milled on site from 1928 through 1938. During this time, the Meadow Creek mine produced about 53,000 ounces of gold from about 236,000 tonnes of ore with a mill head grade of in excess of 8.5g/t Au.

In 1938, the Meadow Creek mine was shut down and production shifted to the Yellow Pine Deposit. However, in 1943 to 1945, portions of the workings were re-opened to explore for antimony and tungsten in support of the war effort. During this period, another 5,600 m of core drilling was completed in the mine, all post-mining. A small amount of tungsten ore was reportedly mined during this period (Cooper, unpublished Strategic Minerals Report, 1940).

Between 1933 and 1952, Bradley Mining Company and the US Bureau of Mines completed systematic exploration and development drilling in the Yellow Pine area in several drilling campaigns. These drilling campaigns were spurred on by both the demand for antimony, after the U.S. government declared antimony a strategic metal, and the discovery of significant tungsten by USGS geologists in the district in 1941. During the World War II era, the Yellow Pine mine was a major source of antimony and tungsten (which the Corporation understands was from sulphide ores with associated gold and pyrite, stibnite, scheelite and arsenopyrite) for the war effort and exploration during this period was focused on those commodities.

The Cinnabar mine site has been explored and mined intermittently for mercury over the last century. Mercury deposits were first discovered about 1902, with initial development starting in 1921 under the United Mercury Mines Company. Production was intermittent until 1942. During World War II, the US Bureau of Mines conducted significant amounts of exploration and development work in the area leading to redevelopment of the mine in 1942, operating as Bonanza Mining (1942-1949), Inc., United Mercury Mines (1952-1953), and Holly Minerals Corporation (1953-1959). The mine was operated very little after 1959, with Antimony Gold Ores Company reporting minimal production in 1963. As stated previously, the Corporation has an option to purchase the Cinnabar parcels and due diligence is ongoing.

Mineralization

The gold mineralization, along with lesser antimony and silver mineralization, at the Hangar Flats and Yellow Pine deposits occurs in intrusive rocks associated with the Atlanta Lobe of the Idaho Batholith.

Strong mineralization is localized along the north-to-south-striking Meadow Creek fault zone (MCFZ) and also along splay faults that strike northeast, as well as dilatational jogs where the fault changes strike directions. The dilatant zones have provided conduits for movement of ascending mineralizing hydrothermal fluids. Multiple episodes of fracturing have allowed episodes of hydrothermal mineralization.

The gold mineralization at the West End Deposit occurs in meta-sedimentary rocks intruded by the Idaho Batholith and also within the intrusive rocks. The meta-sediments occur as pendants overlying and xenoliths within the intrusives. Strong mineralization is localized along the northeast-striking West End Fault Zone (WEFZ) and splay faults that strike northeast and east. Pull-apart fracturing along dilatant northeast fault jogs and splays provided conduits for the movement of mineralizing hydrothermal fluids.

The origin of mineralization at Hangar Flats, West End, and Yellow Pine is both intrusive-related and epithermal and occurs in a variety of styles within the three deposits. Yellow Pine and Hangar Flats are dominantly intrusive-hosted and likely formed at depths below 1,000m beneath the ground surface and at higher temperatures and pressures than mineralization at West End. Mineralization in West End is dominantly epithermal in character. Epithermal deposits are commonly believed to have developed by ascending fluids of igneous emanations. These are typically formed at depths less than 1,000 m, under low confining pressures, with temperatures up to 300°C. Veins are the most common host, however disseminated mineralization also occurs. Gold is the primary metal of potential economic significance, along with more restricted zones of antimony-silver mineralization. The gangue mineralogy is typically potassium feldspar, various clay minerals and to a lesser extent quartz and calcite. Hydrothermal alteration is pronounced, with abundant clay alteration (Panteleyev, 1988).

Hangar Flats Deposit

Gold, with lesser antimony and silver mineralization, in the Hangar Flats Deposit is primarily structurally controlled. Brittle fault structures formed conduits that provided access to receptive igneous rocks for gold-bearing hydrothermal fluids. The MCFZ and adjacent intrusive units are the primary hosts of the gold mineralization at the Hangar Flats Deposit. The MCFZ consists of two bounding high-angle faults, both striking north to south and dipping 80° to 85° west, although there are local variations of strike and dip. The width of the fault zone, as measured between the eastern and western confining faults, varies from 50 m to 150 m. Several subsidiary structures extend northeast from the MCFZ. The subsidiary structures strike along azimuth 040° to 060° and dip gently to the northwest. Although spatially related to the gold zone, the more restricted antimony and silver mineralization is characterized by different structural controls.

West End Deposit

Gold mineralization in the West End Deposit has a primary structural control and a secondary lithological control. Brittle fault structures provided conduits that allowed access to receptive sedimentary rocks for gold-bearing hydrothermal fluids. The WEFZ and adjacent calc-silicate units are the primary hosts of the gold mineralization at the West End Deposit. The WEFZ consists of three principal high-angle faults, all striking north to northeast and dipping 50° to 75° to the east and southeast. The width of the faulted zone, as measured between the Footwall and the Hangingwall faults, varies from 30 m to 90 m. The Hangingwall Fault tends to exhibit more dilatant and dispersed structures relative to the lower two faults and therefore has stronger mineralization. Open space fill quartz veins are closely associated with the faults and are indicative of higher grade zones of gold mineralization. Several subsidiary structures extend southeast from the WEFZ striking at azimuth 060° to 090° and dipping steeply south. Higher-grade gold mineralization occurs preferentially where either of the calc-

silicate units is cut by any of the West End or associated faults. The calc-silicate units are referred to as the Upper Calc-silicate and the Lower Calc-silicate. The units are nearly identical in composition and distinguished only by their relative stratigraphic positions.

Yellow Pine Deposit

Gold, with lesser antimony, tungsten and silver, mineralization in the Yellow Pine Deposit is primarily structurally controlled. Brittle fault structures formed conduits that provided access to receptive igneous rocks for gold-bearing hydrothermal fluids. The MCFZ and adjacent intrusive units are the primary hosts of the gold mineralization at the Yellow Pine Deposit.

The MCFZ consists of a structural corridor within two bounding, high-angle faults, both striking north to northeast and dipping 80° to 85° west in the eastern footwall and 80° to 85° east in the western hangingwall. Numerous local variations of strike and dip are present. The width of the fault zone, as measured between the eastern and western confining faults, varies from 50 m to 190 m. Several subsidiary structures intersect or splay from the MCFZ. The subsidiary structures generally strike north to south and dip gently west. Although spatially related to the gold zone, the antimony, tungsten and silver mineralization is characterized by different structural controls.

Metallurgy

For the PEA Technical Report, a total of 18 flowsheet development composites and 70 variability composites were prepared for metallurgical testing from the more than 500 samples delivered from the core storage facility in Lake Fork, Idaho, to SGS in Vancouver.

Using these samples, quantified gold mineralogical balancing was completed on 11 composites, and all 70 variability composites were studied using quantitative evaluation of material by scanning electron microscope (QEMSCAN) mineralogy for gold, antimony, and host rock mineralogy. The gold studies revealed the gold to be mostly present in both pyrite and (to a much lesser extent) arsenopyrite, at concentrations that are usually high enough to economically justify flotation concentration followed by POX of the sulphides and cyanidation of the released gold. Oxide zones, mostly in the West End Deposit, contained very fine-grained, discrete gold available to direct cyanidation.

Grindability testing was conducted on all deposits, including two JK Drop Weight tests, 19 JK SAG mill characterization (SMC) tests, eight crusher work index and abrasion index tests, 15 rod mill work index, and 21 ball mill work index tests. Average results for each deposit are shown in Table ii. All are amenable to semi-autogenous grinding (SAG) milling, though West End is somewhat harder. The Bond ball mill work index is consistent at about 13kWh/t, which is close to the industry average.

Table ii: Summarised Grindability Testing Results

Test	Units	Yellow Pine	Hangar Flats	West End
SAG testing: JK Drop weight				
- A x b		n/a	123.2	63.4
- ta		n/a	1.5	0.4
SMC				
- A x b		96.5	150.4	50.0
- ta		1.0	1.5	0.5
Crusher Work Index	kWh/t	5.1	7.4	11.6
Abrasion Index		0.3	0.2	0.2
Bond Rod Mill Work Index	kWh/t	10.9	10.9	14.7
Bond Ball Mill Work Index	kWh/t	13.7	13.3	13.0

For the PEA Technical Report, more than 130 flotation tests were conducted on samples with and without recoverable levels of antimony. In the case of the former, the recommended sequential flotation process was developed floating an antimony concentrate followed by flotation of a gold-bearing pyrite/arsenopyrite concentrate. The process uses sodium metabisulphite to depress the gold-bearing sulphides and small doses of collector to float the antimony-bearing stibnite. This concentrate could be readily cleaned to saleable grades assaying over 50% antimony and typically containing 1% of the gold. Pyrite and arsenopyrite in the antimony flotation tailings could then be subjected to activation using copper sulphate and flotation using a xanthate collector, producing an autoclave-amenable concentrate (assaying over 10% sulphur) typically through roughing alone. The concentrate could then be subjected to POX using an autoclave operating at conditions typical of many such installations in the industry to destroy the pyrite and arsenopyrite. The autoclave residue could be then leached through cyanidation to extract the gold. Gold extractions from the vat leach feed are expected to be typically 98%. Testing to date has shown the leach residue to be stable from an environmental perspective.

For materials containing uneconomic grades of antimony, the recommended process is simplified to a bulk sulphide flotation scheme using copper sulphate and xanthate alone. Typically, gold recoveries are slightly higher using this process, while autoclaving and ensuing cyanidation performance would be the same as above (98%).

A total of 35 leach tests were conducted on oxide and transition samples from the West End and Hangar Flats deposits and flotation tests were conducted on oxide, transition, and sulphide samples from West End. True oxide material leached well, with gold extractions of 90% typically achieved, however extraction levels dropped markedly with increasing sulphide content in the sample, while flotation recoveries rose to reach a point where gold recovery by flotation-POX-leach became more economic by than by leaching alone. It is this economic trade-off that defined oxides versus sulphides in West End.

The projected metallurgy for each deposit is shown in Table iii.

Table iii: Projected Metallurgy from Metallurgical Testing to Date

Process	Units	Yellow Pine	Hangar Flats	West End
Sulphides with Recoverable Antimony Grades				
Antimony Flotation				
Concentrate Grade	% Sb	50	50	n/a

Process	Units	Yellow Pine	Hangar Flats	West End
Recovery	%	80	80	n/a
Gold-bearing Sulphide Flotation				
Concentrate Grade	% Sulphur	10+	10+	n/a
Gold Flotation Recovery	%	88	89	n/a
POX Residue Gold Extraction	%	98	98	n/a
Overall Gold Recovery	%	86	87	n/a
Sulphides Without Recoverable Antimony Grades				
Gold-bearing Sulphide Flotation				
Concentrate Grade	% Sulphur	10+	10+	10+
Recovery	%	93	92	Variable with CN to Fire assay ratio results
POX Residue Gold Extraction	%	98	98	98
Overall Gold Recovery	%	91	90	variable
Oxides				
Gold Leach Extraction	%	80	80	= AuCN ratio

Subsequent to the date of the PEA Technical Report, extensive metallurgical testing has been undertaken since the preceding testing and interpretation that was utilized in the PEA, with particular focus on: gold flotation-related grind optimization, gold and antimony flotation reagent optimization, locked cycle continuous flotation testing on gold concentrates, biological oxidation testing on gold concentrates, roasting of gold concentrates and secondary processing of antimony concentrates by hydro-metallurgical and pyrotechnical methods. The results of this metallurgical testing will be used to support the PFS and is currently ongoing. Once complete, revised metallurgical recoveries will be developed based on the most current and comprehensive test work to support the PFS.

Mineral Resource Estimates

Hangar Flats Deposit

The Hangar Flats mineral resource estimate was completed for gold, antimony, and silver using grade shell models developed for each metal using grade threshold values of 0.25 g/t gold, 0.1% antimony, and 5 g/t silver, respectively. Mineralized material with grades lower than these thresholds were not reported as mineral resources and resulted in significantly lesser volumes having estimates for antimony and silver as compared to gold. Structural domains were constructed based on the orientation of the structural controls for gold mineralization. All block grade estimates were made using 3 m downhole composite samples captured within the respective grade shells.

Block grades were estimated by ordinary kriging using the semi-variogram model components observed within each of the three structural domains. The procedure ensured that hard boundaries were applied for the grade shells and soft boundary conditions were applied across the structural domains. The blocks were estimated with two successive passes. The first pass considered a relatively small search range that represents approximately half the full variogram range of continuity found for the grade element within

each respective structural domain. The second pass was designed to estimate the majority of the remaining blocks within the grade shells. Assay values were estimated within blocks measuring 15 m by 15 m by 6 m.

Block density was estimated for the gold grade shells using inverse-distance squared (ID^2) and soft boundary conditions. The blocks were estimated using the orientations applied for the gold grade shells within each structural domain. All grade shell blocks not estimated by the single search pass were assigned the mean density of 2.61 g/cm^3 . All waste bedrock was assigned the mean density of 2.61 g/cm^3 , and overburden density was set to 1.75 g/cm^3 .

The estimates were then constrained by resource-limiting open pits that utilized the economic parameters set out below and any blocks outside of these pit shells were excluded from the mineral resource estimates.

The results of the mineral resource estimation were classified as either Indicated or Inferred mineral resources according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December, 2005).

Subsequent to the date of the PEA Technical Report, approximately 22,723 metres of drilling has been completed in 82 holes and the aforementioned Hangar Flats geologic and Mineral Resource models are currently being updated based on the new drill and assay results. The Corporation intends to utilize the updated Mineral Resource model in the PFS.

West End Deposit

The West End mineral resource estimate was completed for total gold by fire assay (AuFA) and cyanide soluble gold (AuCN) using structural domains, lithological units, and gold grade shells. The gold grade shells were constructed using a gold grade threshold of 0.25 g/t gold. Structural domains were constructed based on the orientation of the structural controls for gold mineralization. All block grade estimates were made using 3-m downhole composite samples captured within the gold grade shells. Insufficient data was available to estimate antimony or silver grades in the West End deposit.

To estimate total gold grades from AuFA sample values, block grades within the respective lithological units were estimated by ordinary kriging using the semi-variogram model components observed within each of the three structural domains. The procedure ensured that hard boundaries were applied for the lithological units and soft boundary conditions were applied across the structural domains. The blocks were estimated with two successive passes. The first pass considered a relatively small search range that represents approximately half of the full variogram range of continuity found for the grade element within each respective structural domain. The second pass was designed to estimate the majority of the remaining blocks within the grade shells. Assay values were estimated within blocks measuring 15 m by 15 m by 6 m.

A separate gold model was also estimated using only cyanide leachable gold composite values. To estimate AuCN block grades, a hard boundary condition was applied using the modeled base of oxidation. All other estimation parameters were identical to those used to estimate total gold by AuFA.

The distribution of oxide gold mineralization was outlined by calculating the ratio of the cyanide leachable gold block values by the total gold block values (AuCN/AuFA). Only blocks with AuCN/AuFA ratio values greater than 0.7 were included in the final oxide resource. All other blocks were reported as a sulphide resource.

Block density was assigned according to the host rock lithology of the block.

The estimates were then constrained by resource-limiting open pits that utilized conceptual economic parameters set out below and any blocks outside of these pit shells were excluded from the mineral resource estimates.

The results of the mineral resource estimation were classified as either Indicated or Inferred mineral resources according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December, 2005).

Subsequent to the date of the PEA Technical Report, approximately 3,845 metres of drilling has been completed in 19 holes and the aforementioned West End geologic and Mineral Resource models are currently being updated based on the new drill and assay results. The Corporation intends to utilize the updated Mineral Resource model in the PFS.

Yellow Pine Deposit

The Yellow Pine mineral resource estimate was completed for gold, antimony, and silver using grade shell models developed for each metal using grade threshold values of 0.25 g/t gold, 0.1% antimony, and 10 g/t silver respectively. Volumes lower than these thresholds were not reported as mineral resources and result in significantly lesser volumes having estimates for antimony and silver as compared to gold. Structural domains were constructed based on the orientation of the structural controls for gold mineralization. All block grade estimates were made using 3 m downhole composite samples captured within the respective grade shells.

Block grades were estimated by ordinary kriging using the semi-variogram model components observed within each of the three structural domains. The procedure ensured that hard boundaries were applied for the grade shells and soft boundary conditions were applied across the structural domains. The blocks were estimated with two successive passes. The first pass considered a relatively small search range that represents approximately half of the full variogram range of continuity found for the grade element within each respective structural domain. The second pass was designed to estimate the majority of the remaining blocks within the grade shells. Assay values were estimated within blocks measuring 15 m by 15 m by 6 m.

Block density was estimated within the gold grade shells using ID² and soft boundary conditions. The blocks were estimated using the orientations applied for the gold grade shells within each structural domain. All blocks within the gold grade shells not estimated by the single search pass, were assigned the mean density of 2.62 g/cm³. Similarly, the waste bedrock block densities were estimated within each structural domain. All waste bedrock blocks not estimated by the single search pass were assigned the mean density of 2.62 g/cm³. Waste overburden density was set to 1.75 g/cm³.

The estimates were then constrained by resource-limiting open pits that utilized economic parameters set out below and any blocks outside of these pit shells were excluded from the mineral resource estimates.

The results of the mineral resource estimation were classified as either Indicated or Inferred mineral resources according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December, 2005).

Subsequent to the date of the PEA Technical Report, approximately 17,946 metres of drilling has been completed in 77 holes and the aforementioned Yellow Pine geologic and Mineral Resource models are

currently being updated based on the new drill and assay results. The Corporation intends to utilize the updated Mineral Resource model in the PFS.

Scout Deposit

A geologic model and Mineral Resource estimate are currently being developed for the Scout deposit. The Scout Mineral Resource estimate is anticipated to be comprised of Inferred Mineral Resources only; consequently, these Mineral Resources will not be incorporated into the PFS.

Bradley Tailings Deposit

A geologic model and a Mineral Resource estimate were developed for the Bradley tailings deposit and announced by the Corporation on October 28, 2013. The Bradley tailings Mineral Resource estimate is largely comprised of Indicated Mineral Resources; consequently, these Mineral Resources will be incorporated into the PFS.

Mineral Resources

The consolidated mineral resources for the project are reported below (Table iv) at two different cut-off grades, depending on the material type. The oxide material is reported at a 0.42 g/t gold cut-off based on a conceptual mining cost of \$1.50/t, a processing cost of \$10.00/t, recovery of 80%, General and Administration (G&A) cost of \$3.00/t, a 0% net smelter return (NSR) royalty, and a \$1,400/oz gold value with no account taken of antimony or silver values. The sulphide material is reported at a 0.75 g/t gold cut-off based on a \$1.50/t mining cost, \$23/t processing cost, 90% recovery, G&A cost of \$3.00/t, a 0% NSR royalty, and a \$1,400/oz gold value with no account taken of antimony or silver values. The mineral resources are confined within a conceptual Whittle® pit design based on the same parameters used for the cut-off grade and a maximum 45° pit slope; any blocks estimated outside of these confining pits are not included in the mineral resource estimate.

Once the Hangar Flats, West End, and Yellow Pine Mineral Resource estimates have been updated, and the inaugural Scout Mineral Resource estimate has been developed, the Mineral Resource estimates for the Golden Meadows Project set out in Table iv will be updated to include the current information.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mine-ability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. The project has no current mineral reserves as they cannot be declared until at least a preliminary feasibility study (PFS) has been conducted.

Table iv: Mineral Resource Estimate as set out in the PEA Technical Report

Material Type	Classification	Location	Tonnes (000's)	Gold Grade (g/t)	Silver Grade (g/t)	Antimony Grade ⁽⁴⁾⁽⁵⁾ (%)	Contained Gold (000's oz)	Contained Silver (000's oz)	Contained Antimony (000's lbs)
Open Pit Oxide ⁽²⁾	Indicated	Hangar Flats	750	0.73	-	-	18	-	-
		West End	8,251	0.83	-	-	221	-	-
		Yellow Pine	1,572	1.30	-	0.00	66	-	122
		Total	10,573	0.90	-	0.00	305	-	122
	Inferred	Hangar Flats	589	0.82	-	-	15	-	-
		West End	1,185	0.63	-	-	24	-	-
		Yellow Pine	427	2.12	-	0.02	29	-	178
		Total	2,201	0.97	-	0.00	68	-	178
Open Pit Sulphide ⁽³⁾	Indicated	Hangar Flats	16,440	1.73	1.37	0.12	914	725	44,217
		West End	25,750	1.52	-	-	1,262	-	-
		Yellow Pine	25,463	2.14	0.72	0.11	1,749	587	64,168
		Total	67,653	1.80	0.60	0.07	3,925	1,312	108,385
	Inferred	Hangar Flats	7,828	1.50	0.09	0.02	378	22	3,106
		West End	14,076	1.30	-	-	588	-	-
		Yellow Pine	32,013	1.80	1.54	0.13	1,856	1,581	89,500
		Total	53,917	1.63	0.93	0.08	2,822	1,603	92,606
All Indicated Resources ⁽²⁾⁽³⁾	Indicated	Total	78,226	1.68	0.52	0.06	4,229	1,312	108,507
All Inferred Resources ⁽²⁾⁽³⁾	Inferred	Total	56,117	1.60	0.89	0.07	2,890	1,603	92,784

(1) Mineral resources reported within a conceptual pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not add exactly due to rounding.

(2) Open pit oxide mineral resources are reported at a cut-off grade of 0.42 g/t Gold. (3) Open pit sulphide mineral resources are reported at a cut-off grade of 0.75 g/t Gold.

(4) Where antimony grades are shown as "0.00" there is antimony present but it rounds to 0.00.

(5) Antimony and silver were not estimated for the West End Deposit or for significant portions of the Hangar Flats and Yellow Pine deposits, and these unestimated tonnes are averaged into the totals at an assumed zero grade

Mineral Processing

Based on metallurgical testwork information provided by Blue Coast, a preliminary comminution, flotation, and POX plant was designed and estimated. A treatment rate of 20,000 t/d was selected for the deposits at the time the study commenced and provides a sound economic return and mine life.

Mineralization varies between the three deposits. The West End Deposit has an oxide cap which can be treated by direct cyanidation for recovery of the gold. Beneath the oxide cap, the mineralization contains a high amount of carbonate which would require additional treatment in the subsequent operations. The Yellow Pine and Hangar Flats materials are predominantly sulphidic and contain antimony as the mineral stibnite, and gold associated with other pyrite and arsenopyrite. Recovery of the antimony would be through a stibnite flotation circuit to produce an antimony concentrate for sale off site. The stibnite circuit tailings would then be subjected to a second flotation stage to produce a gold concentrate which would be fed to a POX circuit for conversion of the sulphides to oxides thus rendering them amenable for cyanide vat leaching, gold recovery, and production of gold-silver doré.

The cyanide vat leach circuit is a hybrid leach/carbon in leach (CIL) as it employs an initial leach short circuit followed by a conventional CIL circuit. All of the leaching processes are contained in steel tanks or vats. This circuit reduces the amount of carbon and hence gold in the inventory, without loss of recovery. Gold is recovered from the carbon through an "Anglo" elution circuit at atmospheric pressure, retorted, and then smelted in an induction furnace to produce doré.

The flow sheet set out in the PEA Technical Report is based on the metallurgical testing and interpretation included in the PEA Technical Report. Appreciable metallurgical testing has been completed since that time, and alternate flow sheets are being evaluated that consider the most current metallurgical testing, some of which is still in process. Once metallurgical testing is complete and results compiled and interpreted, a revised flow sheet will be developed for incorporation in the planned PFS.

Mining Methods

Mining Context

For the PEA Technical Report, a preliminary geotechnical evaluation of the three recommended open pits was completed, incorporating the data acquired during the 2011 geotechnical site investigation. Based on this evaluation, each pit was divided into design sectors and preliminary overall slope angles given for each sector. The recommended slope design angles are presented in Table v.

Table v: Overall Slope Angles for Yellow Pine, West End, and Hangar Flats Open Pits

Pit	Pit Design Sector	Maximum Slope Height* (m)	Overall Slope Angle (°)
Yellow Pine	West Wall	360	45
	Northeast Endwall	70	40
	Eastern Highwall	600	39
	Southern Endwall	185	40
West End	Central	520	45
	North East Highwall	290	37
	Eastern Sector	225	45

Pit	Pit Design Sector	Maximum Slope Height* (m)	Overall Slope Angle (°)
	Southern	150	40
	South West Sector	150	38
Hangar Flats	Northern Highwall and MCFZ	500	37
	Eastern Wall	300	45
	Southern Wall and MCFZ	310	37
	Western Highwall	430	40

*Slope height includes existing topography behind pit (i.e. height from lowest point in pit base to slope crest).

The MCFZ (in Yellow Pine and Hangar Flats) and WEFZ (in the West End Pit) are relatively weak zones of 10 m to 50 m thickness which strike through the pits and exist within or close to the slope toes. SRK has recommended pushing pit slopes back behind these fault zones, where possible, to prevent failures occurring on an inter-ramp scale.

Appreciable drilling has been completed since the geotechnical interpretation set out in the PEA Technical Report and summarized above was developed. The drilling has improved the Corporation's understanding of the geotechnical aspects of the various mineral deposits, and samples collected from the drilling have enabled additional characterization and index testing (e.g. rock quality designation, rock mass rating, point load testing, etc.) and advanced geotechnical testing (e.g. unconfined compressive strength testing and direct shear testing) to be completed. Revised geotechnical parameters will be developed once the interpretation of the preceding test work and characterization has been completed.

Mine Plan

In the PEA Technical Report, the Golden Meadows deposits were recommended to be developed by open pit mining. Mining of the three deposits, Hangar Flats, Yellow Pine, and West End, was designed to produce a total of 101 Mt of processing plant feed (86 Mt of sulphide material and 15 Mt of oxide feed) and 372 Mt of waste (3.7:1 overall strip ratio) over a 14.2-year mine production life. The life of mine (LOM) plan set out in the PEA Technical Report focuses on achieving consistent plant feed production rates, and mining of higher-value material early in the schedule, as well as balancing grade and strip ratios. Figure i illustrates the PEA recommended overall site layout for the project, including the open pits, waste rock facilities (WRFs), tailings storage facility (TSF), and potential plant site locations recommended in the PEA Technical Report.

Mine design for the deposit commenced with the development of Whittle™ open pit optimization input parameters. These parameters included preliminary estimates of metal price, mining dilution, process recovery, off-site costs, and royalties (Table vi); these parameters are somewhat different to those used in the final financial model due to further refinement. The resource models for the three deposits were based on a 15 m by 15 m by 6 m block size.

Table vi: Mine Planning Optimization Input Parameters

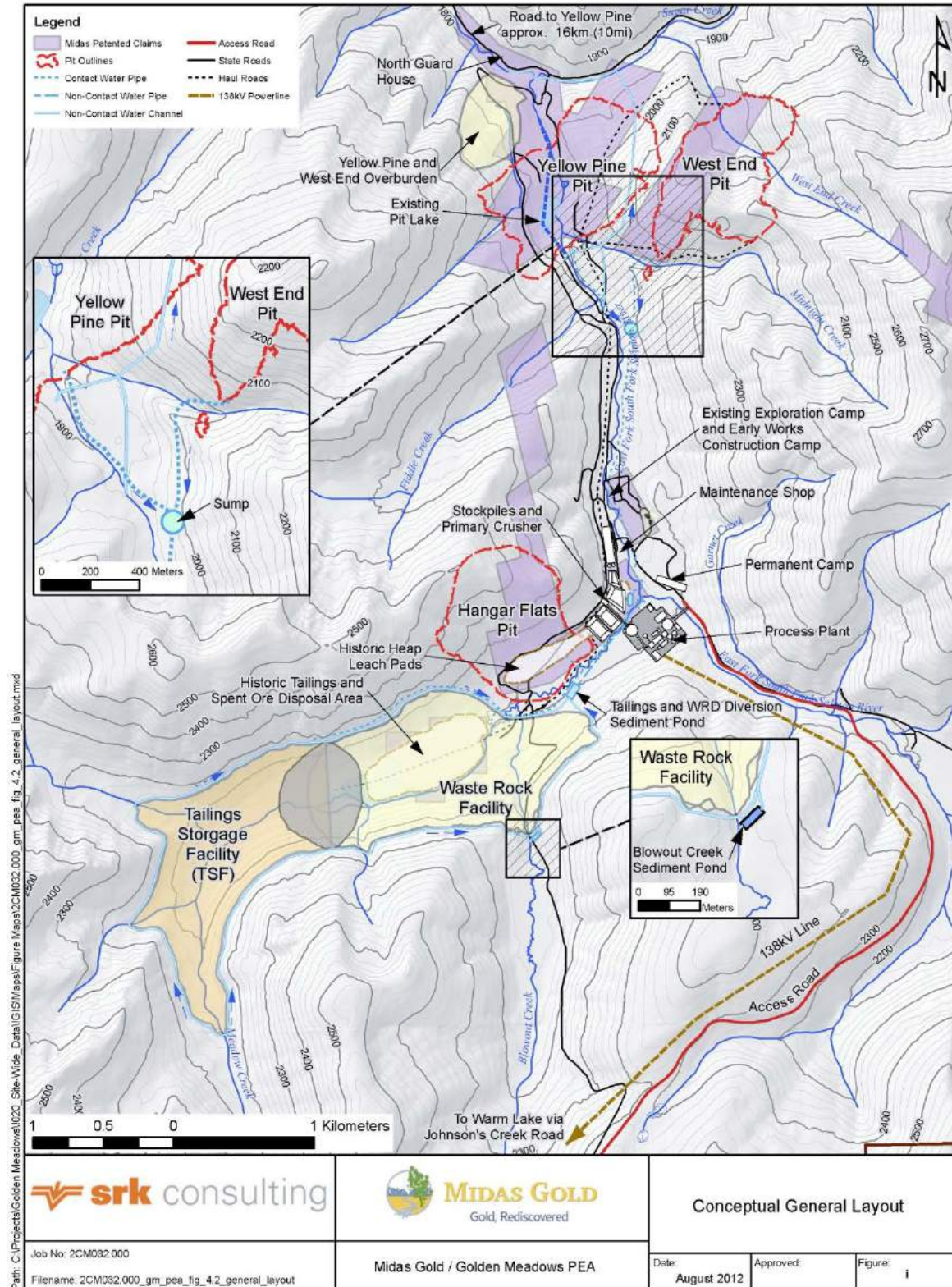
Parameter	Unit	Values		
		Hangar Flats	Yellow Pine	West End
Revenue, Smelting and Refining				
Gold Price	\$/oz Au	1,200		
Payable Metal	%	100		
TC/RC/Transport	\$/oz Au	7.00		
Royalty at 0%	% NSR	0.00		
Net Gold Value/oz	\$/oz	1,193		
Net Gold Value/g	\$/g	38.36		
OPEX Estimates				
Open Pit Waste Mining Cost	\$/t Waste Mined	1.55	1.72	1.74
Open Pit Mineralized Material Mining Cost	\$/t Mineralized Material Mined	1.41	1.75	1.91
Strip Ratio (Estimated)	t:t	9.0	2.5	3.0
Open Pit Mining Cost	\$/t milled	15.50	6.02	6.96
Sulphide Processing Cost (Including POX)	\$/t milled	20.00		
Oxide Processing Cost	\$/t milled	8.00		
General and Administration	\$/t milled	7.00		
Oxide Total OPEX Estimate (Excluding Waste Mining)	\$/t milled	14.86	15.03	15.17
Sulphide Total OPEX Estimate (Excluding Waste Mining)	\$/t milled	26.86	27.03	27.17
Recovery and Dilution				
Gold Recovery				
Hangar Flats and Yellow Pine Sulphides ≥0.1%Sb*	%	87.2	88.2	
<0.1%Sb*	%	90.2	91.1	
West End Sulphide Recovery (<0.35 CN:Fire assay ratio)	%			Variable
Oxide Gold Recovery (≥0.35 CN:Fire assay ratio)	%	80.0	80.0	AuRatio
Antimony Recovery (only for material ≥0.1% Antimony)	%	80.0	80.0	
Grade Factor (Millhead grade/in situ grade)	%	95	95	95
Other				
Discount Rate	%	7.0		
Sulphide Production Rate	Mt/a	7.3		
Oxide Production Rate	Mt/a	7.3		
Oxide Incremental Cut-off Grade	g/t	0.51	0.51	0.69
Sulphide Incremental Cut-off Grade	g/t	0.82	0.81	0.84

* Indicative economic analysis shows that the slightly lower overall gold recovery in the material with recoverable antimony is more than offset by the recoverable, payable antimony values.

Subsequent to the date of the PEA Technical Report, the Corporation sold certain rights to a royalty on future gold production from the Golden Meadows Project to Franco-Nevada, the inclusion of which will

affect outcomes of updated mining plans. See "General Development of the Business – Three Year History and Significant Acquisitions of the Corporation and its Subsidiaries".

Figure i: Conceptual Golden Meadows Site Plan as illustrated in the PEA Technical Report



Whittle software was used to determine the optimal mining shells with the assumed overall slope angles above. CAE Mining NPV Scheduler (NPVS) open pit optimization software was then used to determine the preliminary phase selection for each of the three deposits. The LOM plan and schedule was then determined based on these selected optimal shells. The mineable resources for the Golden Meadows deposits are presented in Table vii.

Both Indicated and Inferred resources were used in the LOM plan of which Indicated resources represent 63% (63 Mt) of the material to be processed, with the remaining 37% Inferred.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves. Mineral reserves can only be estimated as a result of an economic evaluation as part of a PFS or a FS of a mineral project. Accordingly, at the present level of development there are no mineral reserves at the Golden Meadows Project.

Updated Mineral Resource estimates are currently in progress for the three deposits detailed in the PEA Technical Report, as well as an inaugural estimate for the Scout deposit, while an inaugural estimate for the Bradley tailings has been reported by the Corporation. As noted in its news release dated September 9, 2013, the new data collected since the PEA Technical Report and the parameters being used to constrain the Mineral Resource estimates may result in a reduction in the aggregate total of the Mineral Resource estimates (as compared to the PEA Technical Report) as a result of eliminating peripheral and/or less certain Mineral Resources that may or may not have been contained within the PEA defined pit limits. Since different parameters will be used to define the PFS pit limits, the impact on Mineral Resources falling within the PFS pits and becoming Mineral Reserves cannot be determined at this time. However, the Corporation anticipates a conversion of Mineral Resources from the Inferred to Measured and Indicated categories as compared to the PEA once all this new data and new parameters are applied. Once the revised estimates have been finalized, subsequent mine planning will only utilize Measured and Indicated Mineral Resources to support the planned PFS (i.e. Inferred Mineral Resources will be treated as waste).

Table vii: Mineral Resources used in the PEA Technical Report Economic Analysis

Description	Unit	Yellow Pine	West End	Hangar Flats	Total
Whittle Shell	#	20	29	31	
Oxide Mineralized	Mt	1.8	12.0	1.1	15.0
Oxide Gold Grade	g/t	1.52	1.00	0.81	1.05
Sulphide Mineralized	Mt	45.4	21.6	19.4	86.4
Sulphide Gold Grade	g/t	2.03	1.58	1.67	1.84
Sulphide Silver Grade	g/t	3.28		0.60	
Sulphide Antimony Grade*	%	0.45		0.49	
Sulphide Sulphur Grade	%	0.96		0.82	
Total Mineralized Tonnage	Mt	47.2	33.6	20.5	101.3
Total Gold Grade	g/t	2.02	1.37	1.62	1.72
Contained Au - Oxide	koz	90	387	29	507
Contained Au - Sulphide	koz	2,972	1,095	1,037	5,104
Contained Au - Total	koz	3,062	1,482	1,066	5,610
Waste Tonnage	Mt	99	101	172	372
Total Tonnage	Mt	146	134	193	473
Strip Ratio	t:t	2.1	3.0	8.4	3.7

*Antimony grade of material to be treated in antimony flotation circuit (about 17% of total mill feed material). The antimony cut-off grade used for the antimony circuit feed grade was 0.1% antimony.

As a result of the pending Mineral Resource updates, the sale of certain rights to a royalty to Franco-Nevada and other changes to capital and operating estimates that are being developed for the PFS, the above estimates will be superseded in the planned PFS.

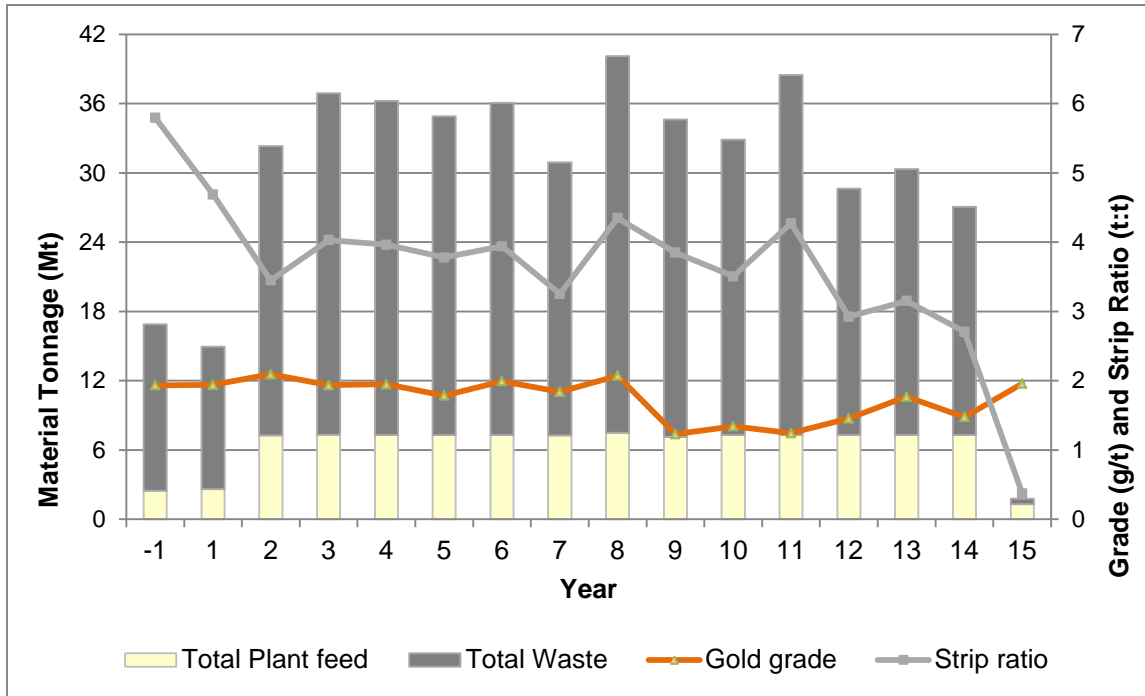
Operating Schedule

The PEA Technical Report recommended mining sequence was divided into a number of phases designed to maximize grade, reduce pre-stripping requirements in the early years, and maintain the plant at full production capacity. The LOM production schedule, as set out in the PEA Technical Report, is presented graphically on Figures ii to iv and in Table viii.

Table viii: LOM Mine and Processing Schedule set out in the PEA Technical Report

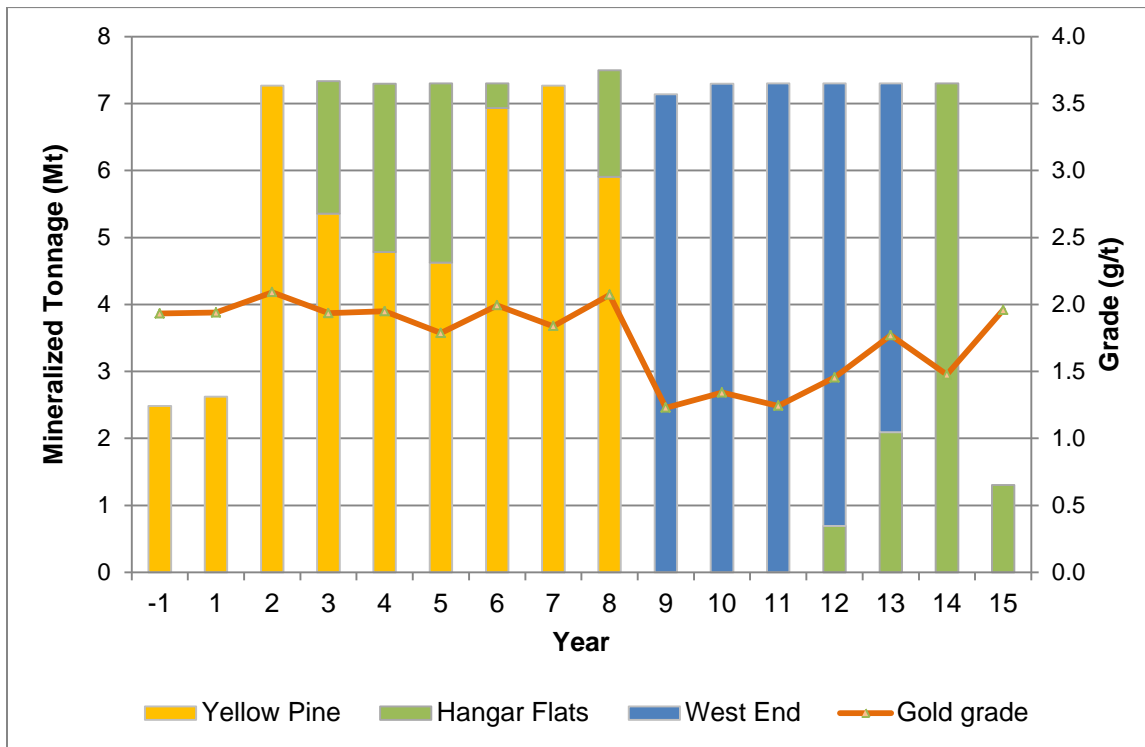
Description	Unit	Total	Year															
			-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Yellow Pine Mineralized Material Mined	Mt	47.2	2.5	2.6	7.3	5.4	4.8	4.6	6.9	7.3	5.9	-	-	-	-	-	-	-
Hangar Flats Mineralized Material Mined	Mt	20.5	-	-	-	2.0	2.5	2.7	0.4	-	1.6	-	-	-	0.7	2.1	7.3	1.3
West End Mineralized Material Mined	Mt	33.6	-	-	-	-	-	-	-	-	-	7.1	7.3	7.3	6.6	5.2	-	-
Overall Millhead Grade	Au g/t	1.72	1.93	1.94	2.09	1.93	1.95	1.79	1.99	1.84	2.07	1.23	1.34	1.24	1.45	1.77	1.48	1.96
Overall Waste Mining	Mt	371.7	14.4	12.3	25.1	29.6	28.9	27.6	28.8	23.6	32.6	27.5	25.6	31.2	21.3	23.0	19.8	0.5
Overall Strip Ratio	t:t (waste: mineralized)	3.7	5.8	4.7	3.4	4.0	4.0	3.8	3.9	3.3	4.3	3.9	3.5	4.3	2.9	3.2	2.7	0.4
Total Plant feed	(Mt)	101.3		5.1	7.3	7.3	7.3	7.3	7.3	7.3	7.5	7.1	7.3	7.3	7.3	7.3	7.3	1.3
Gold Grade	(g/t)	1.72		1.94	2.09	1.93	1.95	1.79	1.99	1.84	2.07	1.23	1.34	1.24	1.45	1.77	1.48	1.96
Silver Grade	(g/t)	1.60		7.21	3.34	2.65	2.26	1.72	2.63	2.19	1.03	-	-	-	-	0.18	0.48	3.86
Antimony Grade (for +0.1% Sb material)	(%)	0.45		0.60	0.36	0.46	0.38	0.36	0.41	0.53	0.31	-	-	-	0.29	0.55	0.51	0.84
Gold Recovery	(%)	89.0		87.4	88.8	88.9	89.6	89.9	90.7	90.4	90.6	79.6	91.3	84.6	88.7	90.3	89.9	89.6
Silver Recovery	(%)	13.0		16.1	15.0	15.6	12.5	10.2	8.5	11.0	7.6	0.0	0.0	0.0	0.0	14.2	15.0	10.2
Antimony Recovery (for +0.1% Sb material)	(%)	80.0		80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	0.0	0.0	0.0	80.0	80.0	80.0	80.0
Payable Gold	koz	4,922		272	425	399	403	372	419	383	447	222	284	244	300	371	308	72
Payable Silver	koz	335		102	46	40	28	21	39	30	14	-	-	-	-	2	5	8
Payable Antimony	kIb	90,618		20,836	15,335	14,128	10,902	4,453	3,543	7,547	2,518	-	-	-	56	1,595	5,789	3,916
Cash Cost Without by-product Credit	\$/payable oz Au	532		484	450	489	482	523	468	498	452	818	656	712	580	504	590	540
Cash Cost With by-product Credit	\$/payable oz Au	425		35	239	283	325	453	417	382	419	818	656	712	578	479	481	225

Figure ii: Mined Mineralized Tonnes, Waste Tonnes, Strip Ratio and Gold Grade by Period*



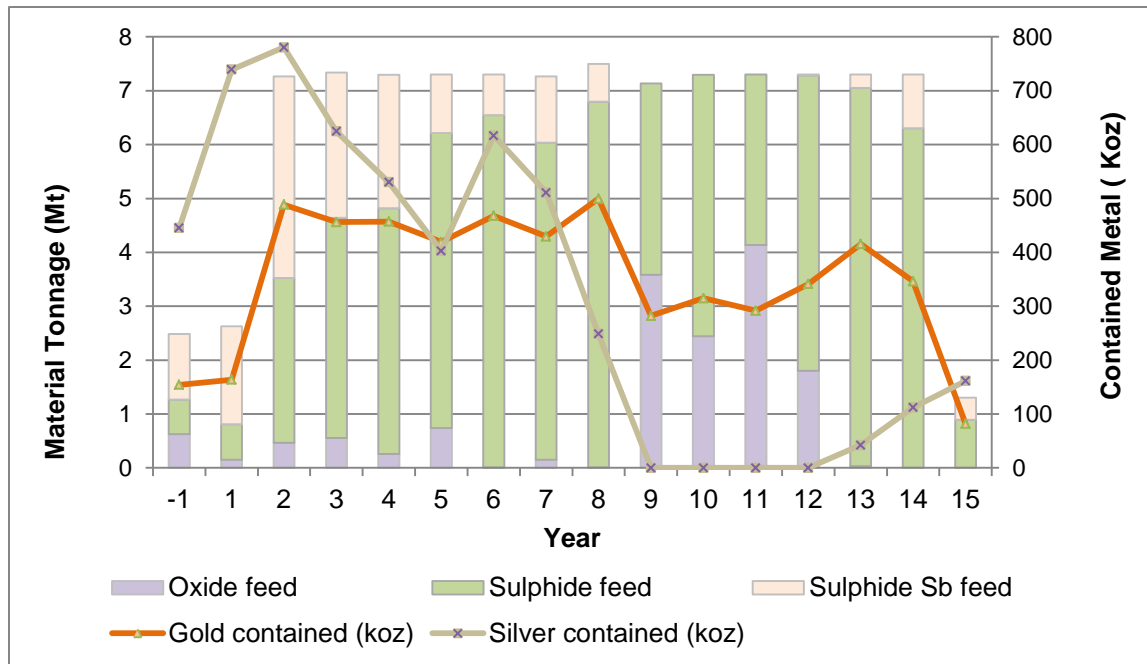
*All plant feed material mined in Year -1 is planned to be stockpiled and scheduled for processing in Year 1.

Figure iii: Mined Mineralized Tonnes and Gold Grade by Pit and Period*



*All plant feed material mined in Year -1 is planned to be stockpiled and scheduled for processing in Year 1.

Figure iv: Mined Mineralized Tonnes by Type*



*All plant feed material mined in Year -1 is planned to be stockpiled and scheduled for processing in Year 1.

The preceding mine schedule was developed based on the Mineral Resource estimates, mine plan and other applicable supporting information developed to support the PEA Technical Report. Once revised Mineral Resource estimates have been developed based on post-PEA drilling, assaying, revised geologic models and revised metallurgical information, the schedule set out herein will be updated. The mine schedule used to support the PFS will only utilize Measured and Indicated Mineral Resources (i.e. Inferred Mineral Resources will be treated as waste).

As noted in the Corporation's news release dated September 9, 2013, the new data collected since the PEA Technical Report and the parameters being used to constrain the Mineral Resource estimates may result in a reduction in the aggregate total of the Mineral Resource estimates (as compared to the PEA in the PEA Technical Report) as a result of eliminating peripheral and/or less certain Mineral Resources that may or may not have been contained within the PEA defined pit limits. Since different parameters will be used to define the PFS pit limits, the impact on Mineral Resources falling within the PFS pits and becoming Mineral Reserves cannot be determined at this time.

Project Infrastructure

Water Management

The PEA Technical Report provides the framework for a comprehensive approach to water management at the Golden Meadows site. It addresses water management objectives for construction, operation, and post-closure. Key elements are:

Storm water modeling to determine design flows for representative storm events;

An overall site water balance which also addresses individual mining project components such as the Yellow Pine pit and the tailings storage facility (TSF);

Storm Water Pollution Prevention Plan requirements for the current/ongoing exploration, construction, operation, and reclamation/post-closure phases of the project;

A monitoring strategy to insure the effectiveness of BMPs and other water management features;

Clean-up of select RECs as feasible in order to improve the overall site conditions for implementation of the water management strategy; and

Incorporation of an integrated water treatment program is highlighted in the section that follows. Water quality protection is the primary goal for the over-arching environmental management strategy for the project, as outlined in the PEA Technical Report.

The water treatment plan in this study was designed to meet applicable water quality standards at the Golden Meadows site. This includes characterizing the various waste streams for the operation as part of the ongoing environmental baseline program and metallurgical testwork, conducting necessary pilot scale treatability studies on these waste streams, and designing and operating water treatment facilities as necessary in order to achieve desired results. While mechanical treatment would likely be required during operation, the intent is to also evaluate the feasibility of passive systems during the operational phase of the project such that a feasible transition could be made to an effective low-maintenance facility(ies) post-closure, provided the technology proves effective for long-term application. The site is subject to extreme climatological conditions which would be considered in the overall testing and evaluation. The reclamation bond cost estimate presented in the PEA Technical Report considers the cost for long-term water treatment, in the event passive treatment options do not prove effective to meet applicable water quality standards at closure.

Waste Management

According to the PEA Technical Report, a total of 101 Mt (68.7 Mm³) of tailings were expected to be produced during the 14.2-year mine life of the recommended project. Based on results of current metallurgical testwork, three separate tailings streams would be produced: oxide, POX, and flotation tailings. The geochemistry of the POX and oxide tailings suggests they may require containment within a lined facility, while the flotation tailings are considered to be relatively benign and could be placed in a separate unlined facility. However, the buffering capacity of the flotation tailings may serve to neutralize the POX tailings, and create a more benign product overall, which suggests that co-mingled tailings contained within a single, lined facility may be the better option. The recommended TSF would consist of a lined basin and lined rockfill dam constructed in stages throughout the LOM. The downstream face of the rockfill dam would be buttressed by the waste rock facility (WRF), substantially reinforcing the dam.

Waste rock from the mining operations at West End was recommended to be backfilled into the Yellow Pine Pit. Other waste rock was recommended to be deposited in the WRF adjacent to the Hangar Flats Deposit. In order to plan waste rock placement within these two waste rock storage facilities and isolate potential leachable material, a detailed waste rock management plan would be developed, including components of geochemical characterization, water management, and possible capping to limit infiltration.

The two waste rock storage facilities would be designed to hold a total of 372 Mt of material which is estimated for the three deposits. Waste rock would be managed and tested during operations according to the "Materials Handling Plan" that would direct the segregation and placement of any potentially reactive material in a specified area within each of the two waste rock facilities. Preliminary geochemical

testwork conducted as part of the PEA Technical Report has shown the potential for acid rock drainage (ARD) at the site is limited but there is a potential for metal leaching (ML) under neutral or alkaline conditions. Potentially reactive waste rock (either ARD or metals leaching material) could be mitigated by blending with waste rock from the West End Deposit that shows a lower risk for ARD/ML than the Yellow Pine and Hangar Flats waste rock, and ultimately capped to minimize contact with water and oxygen. Thus, potentially reactive waste rock would be effectively "encapsulated", and managed during the mining and post-mining periods. This management plan would ensure that local water quality is protected. Additional static and kinetic testing is planned as part of the environmental baseline and pre-feasibility programs to ensure that the potential mining operation does not generate acidity, or contribute to metals or other constituents to the environment through leaching.

The preceding waste management plan was developed based on the Mineral Resource estimates, mine plan and other applicable supporting information developed to support the PEA in the PEA Technical Report. Once updated Mineral Resource estimates have been developed based on the recent drilling, assaying, revised geologic models and revised metallurgical information, the waste management plan will be updated. The mine schedule used to support the PFS will only utilize Measured and Indicated Mineral Resources (i.e. Inferred Mineral Resources will be treated as waste).

Access Road

After a review of several alternatives, a new access road was recommended in the PEA Technical Report as the best route to improve year-round ground transportation to the project. This new route runs from the Johnson Creek Road (FS 413) and approximately parallels the old Thunder Mountain Road (FS 440) to the Riordan Creek drainage basin and is 33 km in length. The road would then cross Riordan Creek to the top of Antimony Ridge at an elevation of 2,600 m, and then drop to the valley where it would parallel the Frank Church River of No Return Wilderness Area boundary, cross the river, and then follow the existing Thunder Mountain Road (FS 375) to the mine property. The route was suggested for the following reasons:

- Shortest of all the alternatives;
- Fewest switch-backs (sharp curves);
- Fewest stream crossings;
- Reduces length of travel and transporting of materials along Johnson Creek and the EFSFSR;
- Reduces risk of hazardous material spills into streams with fewer road segments paralleling streams;
- Eliminates travel adjacent to private property; and
- Segregates the general public from mining activities at the project site.

Appreciable additional data gathering (Lidar-derived topography and geotechnical field surveys) and alternative road-related engineering and design work has been completed following the preceding evaluation, which was included in the PEA. In particular, an alternative route has been the subject of appreciable study. The evaluation of access route options is in progress, and the results will be documented in the PFS.

Power Supply

Several alternatives were investigated for the electrical power supply for the project. Grid power was selected as the best alternative based on its low operating cost and likely least environmental impact. An exploratory study indicated that the existing grid system could be upgraded to support the full anticipated 50 MW load of the project. The upgrades required to integrate the Golden Meadows load

into the Idaho Power Company ("IPCo") network would include an upgrade of approximately 96 km of 69 kV lines to 138 kV, new 138 kV substations at Lake Fork, Cascade, and Warm Lake as well as measures to strengthen the voltages on the IPCo system. In addition, IPCo would re-supply small consumers between Warm Lake and Yellow Pine via a replacement 12.5 kV line. The new power line is envisioned to generally follow the Thunder Mountain road to preclude the need for a second road for transmission line maintenance.

Following the work done by IPCo, Power Engineers were contracted to develop a PFS-level design and cost estimate of the grid connection. This work is in progress and will be included in the PFS.

Environmental Considerations

There are a number of environmental sensitivities in the project area. The project is located in the upper reaches of the remote Salmon River drainage. Within it are sensitive and listed fish species including steelhead, salmon, bull trout and west slope cutthroat trout. Currently, the water quality is good and is protected by water quality standards based on the highest cold water biota and salmon spawning uses. Soils in the project area include some shallow soil types that are naturally erosive and therefore have the potential to cause sedimentation in nearby streams. Significant portions of the two current access corridors traverse the fish-bearing Johnson Creek and the EFSFSR which are therefore at risk both from potential road-sourced sedimentation and from fuel spills or vehicle accidents. Finally, the project site is in close proximity to a Roadless Area and the Frank Church River of No Return Wilderness, although the project site was legislatively excluded from this designation for the purpose of mining.

Golden Meadows is an historic mining district, and as such, the project area is a "brownfield" site that has been environmentally degraded by past mining operations. Significant un-reclaimed waste rock dumps, spent heap-leach ore piles and abandoned open pits remain at the site, which has been the subject of a number of cleanups ordered under CERCLA. Considerable reclamation, re-vegetation, and remedial action by the federal government, the State of Idaho and private mining companies has resulted in an improvement in water quality trends. Despite this water quality improvement, wildfires at the site in 2000, 2006 and 2007 and 2013 left the landscape prone to natural erosion and sedimentation as a result of fire burn and related vegetative destruction.

To facilitate the development of a sustainable project, Midas Gold established the following environmental objectives for the project:

- Protect surface and ground water quality;
- Protect and enhance the fishery;
- Maintain or enhance the objectives of CERCLA-ordered environmental improvements;
- Minimize potential for sedimentation and spills along transportation corridors; and
- Incorporate environmental enhancement opportunities into the concurrent and final reclamation plans.

To achieve Midas Gold's objectives, the project used the following design considerations from an environmental perspective:

- Minimize the project footprint – the concepts of backfilling pits when practical and concentrating tailings storage in one location (rather than multiple smaller locations) are high

priorities for design. Minimizing the footprint enables better protection of water quality and simpler, more effective water management.

- Management of water – a comprehensive water management strategy to minimize and reuse water supplies in order to support in-stream flow requirements for important fish species has been developed for additional study as part of the PEA Technical Report.
- Management of waste – the waste management plan for the project involves the potential for segregation and selective handling and placement of potentially reactive waste rock, and storage of flotation, oxide, and POX tailings in a synthetically lined facility. Further, blending of the plus 90% by volume, inert flotation material with the small volume POX tailings, is expected to chemically neutralize the POX tailings.
- Reduce contact of project infrastructure (including roads in particular) with waterways – The conceptual design presented in the PEA Technical Report of an alternate road corridor to the project site would move the main transportation route away from much of the environmentally sensitive Johnson Creek and EFSFSR waterways.
- Enhance the fishery – The environmental design also involves the creation of fish-spawning reaches in the EFSFSR above the Yellow Pine Pit, backfilling of the Yellow Pine Pit, and construction of a new channel through the backfilled area that would provide fish passage into the upper reaches of the EFSFSR and Meadow Creek drainage areas that are currently inaccessible due to the steep gradient within the abandoned Yellow Pine Pit.
- Clean up past environmental degradation – Selective environmental clean-up projects would be considered as part of the overall mine plan, where feasible; additional reclamation treatments at the historic spent ore disposal area (SODA) is an example of this opportunity.
- Management of air quality – The use of the best practice control technology and practices to control air emissions at the site would be employed.
- Environmental Monitoring – Monitoring during the exploration, mining and reclamation/ closure phases of the project, to ensure compliance with all applicable air, water, waste and reclamation objectives and to validate the effectiveness of water treatment and BMP technologies is a fundamental component of the project.

The following "environmental principles" were also put forth by Midas Gold as guidance:

1. Diverting clean storm water and stream flow around the Yellow Pine and Hangar Flat pits allows for mining and eventual backfilling during operations and the enhancement opportunity to re-establish fish passage.
2. Backfilling the Yellow Pine Pit with carbonate-rich waste rock from the West End Pit in order to minimize the potential for metal leaching and provide a post-closure route for fish passage.
3. Covering of tailings and waste facilities with overburden material to limit water infiltration and exposure to oxygen and to promote native re-vegetation.
4. Diverting clean storm run-off and the Meadow Creek stream flow around the TSF during operations, and restoring the main channel at closure to assist in achieving water quality goals and promote establishment of wetlands.
5. Potential use of the Hangar Flats Pit to mitigate the effects of runoff and associated increases in suspended solids from Blowout Creek and the main waste rock facility.
6. Selecting a location for the TSF and main waste rock facility that would achieve the following

objectives:

- a. Locate the facilities in a previously-disturbed valley that can be upgraded to meet modern reclamation standards (this principle refers to the historic spent ore disposal area which overlays the Bradley tailings).
 - b. Select a site that can hold all the tailings material in one location in order to limit the overall disturbance footprint and facilitate environmentally responsible reclamation.
7. Reducing the total carbon footprint of the project by processing the gold concentrate on-site, thus eliminating truck haulage requirements to an off-site treatment facility, and utilizing grid electrical power as opposed to diesel generation.
 8. Locating the main waste rock facility immediately down gradient from the TSF to provide an enhanced geotechnical support buttress for the tailings storage facility.
 9. Co-mingling the relatively coarse-fraction of tailings, which make up the more basic flotation tailings (this comprises approximately 90% of the volume) in a synthetically-lined facility with the finer, potentially reactive POX tailings, in order to provide neutralizing capacity and to facilitate constructing wetlands and a riparian/native vegetation construction scenario at closure.
 10. Reprocessing the existing tailings to further remove remaining metal content and redeposit the reprocessed tailings in a modern, lined tailings facility.
 11. Establishing fisheries enhancement zones designed to promote spawning along reaches between the Yellow Pine Pit wetland and confluence of Meadow Creek.
 12. Designing a process flow sheet that does not involve roasting of concentrates (POX used to oxidize refractory mineralized materials), thereby reducing the potential for heavy metal air emissions.
 13. Testing to differentiate and encapsulate any higher sulphide waste rock identified to mitigate the potential for leaching of metals.
 14. Considering the use of emulsions to reduce production of nitrates from ammonium nitrate/fuel oil (ANFO) used for blasting during the mining process.
 15. Transporting fuel for the mining operation in convoys equipped with spill containment kits, and considering the use of double-walled tanks to mitigate the risk of spills.
 16. Accessing the mine site by an alternative route designed to reduce sections of road along sensitive waterways (Johnson Creek and SFSR). This would also serve to lessen the road gradient and widen sections so as to improve safety and reduce interference with other local traffic.
 17. Applying best practice water treatment as necessary to meet applicable water quality standards, including mechanical treatment and BMPs during construction and operation, transitioning to passive treatment as the technology is proven at the site.
 18. Practicing concurrent reclamation during construction and operation of the mine.

19. Installing a monitoring program which includes water quality, water use, air quality and reclamation of fisheries and wildlife, in order to ascertain the effectiveness of environmental management controls and related mitigation efforts during construction, operation and post-closure.
20. Incorporating the treatment of select RECs into the overall mine plan as feasible, in order to improve the environmental status at the project site (e.g., reprocessing of tailings, removal of the Hecla heap leach pad and the former mill and smelter site immediately below, in order to mine the Hangar Flats Deposit).

The PFS, once completed, will include an update to the principles set out above.

Permitting Strategy

Midas Gold has developed an integrated Environmental Impact Statement ("EIS") and permitting plan. The plan considers: (a) environmental baseline study needs, (b) Midas Gold's "preferred alternative" per the PEA Technical Report, (c) a concurrent EIS and permitting schedule, (d) environmental risk management strategy, including "offsets" to potential impacts, and (e) an internal management program driven by scheduling milestones and cost tracking.

A substantial existing environmental baseline generated by previous operators and governmental agencies is being confirmed and supplemented by Midas Gold. This baseline is a compilation of previous studies and EISs conducted for recent mining operations, remedial cleanup investigations and multiple resource agency inventories. The new supplemental studies by Midas Gold are aimed at describing "current mining" environmental conditions at the site. These baseline studies and previous information focus on:

- Documentation of current water quality and hydrology conditions at the site, both surface and ground water;
- Assessing the water supply needs for the recommended project;
- Testing of the geochemical characteristics of waste rock and tailings potentially generated;
- Confirmation of threatened and endangered and sensitive fish, mammal, and plant species;
- Reporting on the status of previous CERCLA remedial activities at Stibnite;
- Documentation of local social and economic conditions;
- Evaluating the anticipated power and transportation requirements; and
- Determining consistency of the recommended project with the current forest plan.

Meeting environmental compliance requirements is a mandatory design criterion for the project. Designing the project from day one of operation for ultimate closure and reclamation is also a primary objective.

The estimated timeline to complete the EIS and all related permits is three to five years from the date a Notice of Intent is filed and public scoping is concluded.

Key permitting considerations are: ensuring environmental compliance during the project's exploration phase as a demonstration of goodwill, minimizing the financial risks associated with an extended National Environmental Policy Act ("NEPA") process or delays in the National Pollutant Discharge Elimination System (NPDES) or U.S. Army Corps of Engineers (USACE) 404 permitting programs, or third-party appeals and/or litigation of the EIS Record of Decision (ROD) or permits. These can all be largely countered or offset through maintaining a stringent permitting plan and by developing environmentally

and socially-sound facility designs in concert with the local tribes, NGOs, and regulatory agencies.

Midas Gold has developed and implemented a comprehensive local community and state-wide public affairs program designed to open lines of communication in advance of any future initiation of an environmental assessment and permitting process. The goal is to gain understanding and to work cooperatively with tribal, federal, state and local governments, regulatory agencies, NGOs, business, community and recreational groups, and others in order to develop a sustainable project with the potential for widespread support. The public engagement program has involved meetings with the Governor and Lieutenant Governor, staff of the U.S. Delegation for Idaho, various members of the Idaho Legislature, Native American Tribes, key agency heads, NGOs, community leaders, financial analysts, and public events such as open houses and project tours.

In summary, Midas has developed a comprehensive permitting management strategy that would:

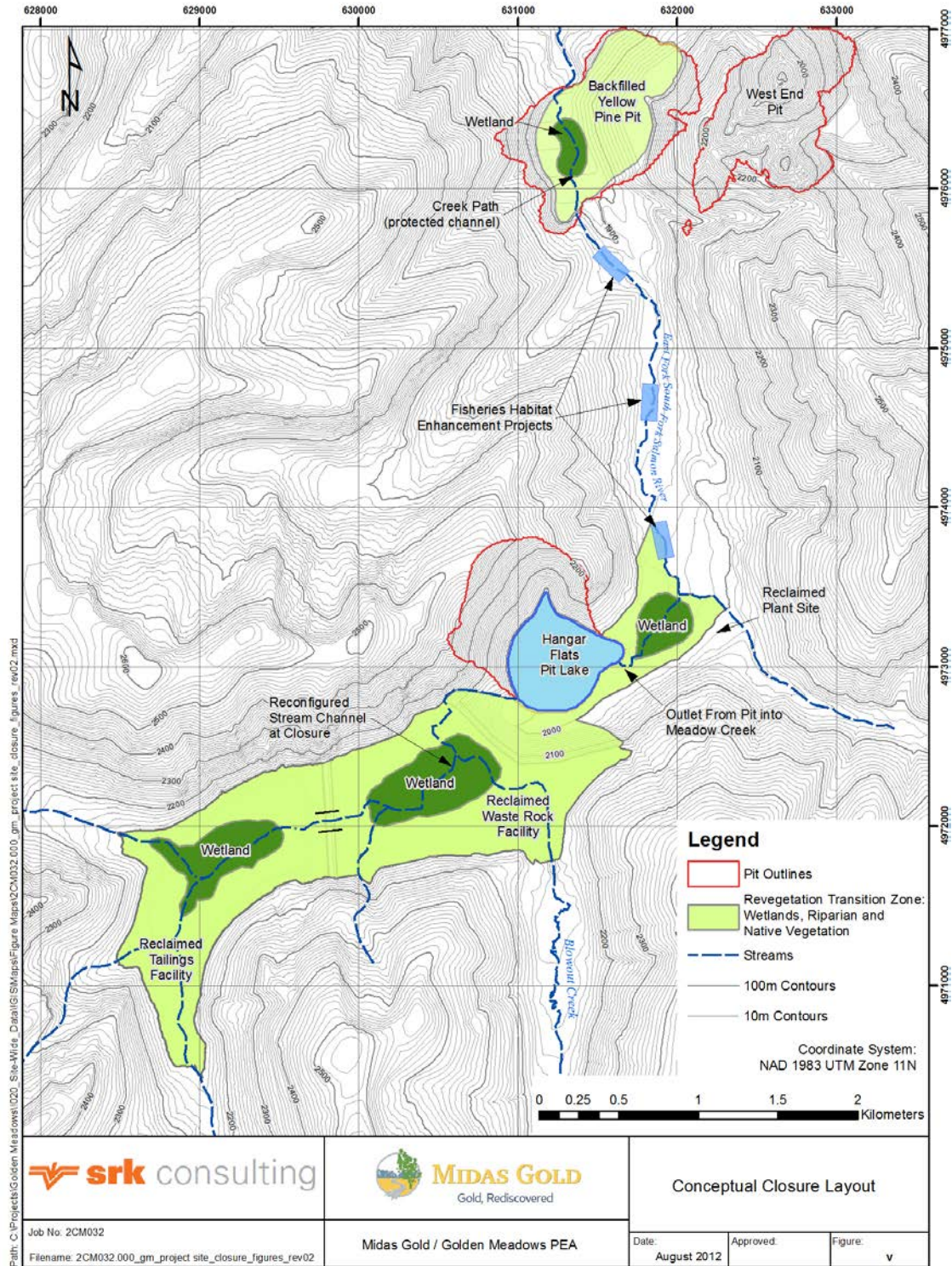
- Collect the necessary environmental baseline data to demonstrate how the recommended Golden Meadows mining operation would impact the environment;
- Meet all NEPA requirements;
- Satisfy Sections 402 and 404 of the *Clean Water Act* as they relate to the water treatment and discharge needs, and mitigation of potential impacts to wetlands;
- Meet all consultation requirements pursuant to the *Endangered Species Act* and tribal interests;
- Be consistent with the goals and policies of the Payette National Forest Plan;
- Achieve all applicable State of Idaho and Valley County regulatory requirements;
- Implement a well-conceived concurrent and long-term reclamation plan which addresses potential post-closure discharge needs and restoration and enhancement of the affected land, water, fisheries resources, and habitat values at the project site as compared to the current situation; and
- Establish open lines of communication with involved regulatory and land management agencies, and the other numerous "publics" involved in or potentially affected by the permitting process.

Mine Closure Plan set out in the PEA Technical Report

The conceptual closure plan (Figure v) set out in the PEA Technical Report was focused on effective remediation of a considerable area degraded by historic mining practices (including waste rock dumps, abandoned pits, heap leach pads, former mill and smelter locations, etc.) by re-mining areas of past disturbance, creating substantially improved containment, and managing waste materials in fully engineered and contained facilities. The conceptual closure plan would create more than 60 hectares of new wetlands, restore local drainages, reopen fish pathways south of the current Yellow Pine Pit Lake to migratory species (including salmon), and create three fisheries enhancement habitats. In addition, all newly-generated waste would be covered and planted to create sustainable vegetative cover.

Once completed, the PFS will set out more detailed and defined objectives for the closure plan incorporating amendments to the mine plans, infrastructure locations, etc.

Figure v: Conceptual Closure Plan set out in the PEA Technical Report



PEA Capital and Operating Cost

Capital and operating cost estimates set out in the PEA Technical Report were done based on Q3 2012, un-escalated U.S. dollars. Vendor quotes were obtained for all major equipment. Most costs were developed by first principles, although some were estimated based on factored references and experience with similar projects. The capital and operating cost estimate summaries are presented in Tables ix to xi.

Table ix: PEA Capital Cost Estimate

Area	Detail	Pre-production (M\$)	Sustaining (M\$)	Total (M\$)
Direct Costs	Open Pit Mine	121.9	107.2	229.1
	Processing and Utilities	243.0	79.6	322.6
	On-site Infrastructure	93.1	38.8	131.9
	Off-site Infrastructure	67.0	-	67.0
Indirect Costs		148.9	19.4	168.3
Owner's Costs		39.7	0	39.7
Closure Costs		0.0	53.0	53.0
CAPEX Without Contingency		713.6	298.0	1,011.6
Contingency		165.7	4.7	170.4
TOTAL CAPEX ESTIMATE with Contingency		879.3	302.7	1,182.0

Table x: PEA LOM Operating Cost Estimate

Item	Unit Cost Estimate				Total LOM Cost (M\$)
	\$/t Mined	\$/t Milled	\$/Au oz payable (Without by-product Credit)	\$/Au oz payable (With by-product Credit)	
Mining	1.67*	7.78	160	128	788
Mineral Processing		13.95	287	229	1,412
General and Administration		4.14	85	68	419
Total		25.87	532	425	2,619

*excluding pre-strip (Year -1) mining which is captured as a capital cost

Table xi: PEA LOM Operating Cost Estimate by Material Type

Item	Unit	Combined	Oxide	Sulphide	High Sb
Mining	\$/t mined	1.67	1.67	1.67	1.67
	\$/t milled	7.78	7.78	7.78	7.78

Item	Unit	Combined	Oxide	Sulphide	High Sb
Stockpile Material Handling	\$/t milled	0.13	0.13	0.13	0.13
Crushing and Grinding	\$/t milled	2.83	2.83	2.83	2.83
Oxide Processing	\$/t oxide milled	0.82	5.53		
Sb Flotation	\$/t high Sb milled	0.28			1.66
Au Flotation	\$/t sulphide milled	1.77		2.08	2.08
POX	\$/t sulphide milled	7.87		9.23	9.23
Water Management	\$/t milled	0.25	0.25	0.25	0.25
General and Administration	\$/t milled	4.14	4.14	4.14	4.14
Total		25.87	20.66	26.44	28.1

Fuel costs for the PEA were assumed to be \$1.00/litre and power costs were assumed to be \$0.055/kWh for years 1 to 5 and \$0.041/kWh thereafter, based on Idaho Power rates. Labour costs were taken from regional wage surveys.

It is envisioned that the project would require approximately 431 full-time employees with a total annual payroll of approximately \$20M.

The preceding information was developed to support the PEA. While revised capital and operating costs have not yet been developed, additional information, such as equipment lists, earthworks calculations, labor rates, and vendor equipment and consumables quotes, are currently being acquired to support a revise capital and operating cost estimate, which will be included in the PFS.

Economic Analysis

The economic analyses in the PEA Technical Report are preliminary in nature and use inferred mineral resources (approximately 37% of the total planned mill feed tonnes) that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the results of the PEA Technical Report will be realized.

While additional financial information has been gathered since the PEA financial model was developed, no new financial projections have been developed; consequently, the following financial summary represented the best available information at the time of the PEA. However, a revised economic model will be developed to support the PFS, and this work is in progress. This economic model will incorporate the effects of updated Mineral Resource estimates, the sale of certain rights to a royalty to Franco-Nevada and other changes to capital and operating estimates that are being developed for the PFS.

The economic model described herein is not a true cash flow model as defined by financial accounting standards but rather, a representation of project economics at a level of detail appropriate for the uncertainties of a project at an early stage of engineering and design.

In the economic model, the first year of analysis starts with the decision point of the project, the completion of the EIS, and preliminary permit approval (Year -3 or three years before the start of commercial production). No expenditures prior to Year -3 were considered but would likely be in the order of \$50M spread over two years for definition drilling, feasibility study, metallurgical testing, EIS

work, and permitting. Of the \$50M estimate, it is envisioned that the PFS field and laboratory work, including definition drilling, would cost between \$20M to \$25M with the PFS report costing an estimated additional \$4M to \$5M.

Taxation was taken into account using current federal, state, and county rates but the overall tax calculation is approximate and uses rudimentary depletion and depreciation estimates.

Four cases were run in the economic model to present a range of economic outcomes using varying metal prices. There is no guarantee that any of the metal prices used in the four cases are representative of future metals prices. The prices used are shown in Table xii and the constant parameters for all cases are shown in Tables xiii to xv.

Table xii: PEA Metal Price Assumptions for the Four Economic Cases

Case	Gold Price (\$/oz)	Silver Price (\$/oz)	Antimony Price (\$/pound)	Basis
Case A	1,200	20.00	5.50	Gold price used in the mine optimization. The gold price is approximately the 5-year trailing average to the end of July 2012.
Case B (Base Case)	1,400	23.50	6.00	Approximate three-year trailing average gold price to the end of July 2012.
Case C	1,600	27.00	6.50	Approximate eighteen-month trailing average gold price to the end of July 2012.
Case D	1,800	30.00	7.00	An upside case to show project potential at a gold price approximately 12% higher than gold prices at the end of July 2012.

Table xiii: PEA Economic Assumptions used in the Economic Analyses (all Cases)

Item	Unit	Value
NPV Discount Rate	%	5
Federal Income Tax Rate	%	35
Idaho Income Tax Rate	%	7.4
Idaho Mine License Tax	%	1.0
Valley County Rural Property Tax Rate (\$/\$1,000 market value)	%	0.063
Percentage Depletion Rate for Gold and Silver	%	15
Percentage Depletion Rate for Antimony	%	22
Depreciation Term	Years	7
Equity Finance	%	100
Capital Contingency (Overall)	%	17

Table xiv: PEA Offsite Costs and Payables used in Economic Analyses (All Cases)

Off-site Costs and Payables	Item	Unit	Value
Payables for Doré	Gold	%	99
	Silver	%	95
Doré Refining/Transport Costs	Gold	\$/payable oz	8.00
	Silver	\$/payable oz	0.50
Smelter Payables - Antimony Concentrate	Gold in Sb Concentrate (after minimum deduction)	%	60
	Silver in Sb Concentrate (after minimum deduction)	%	30
	Antimony	%	65
Off-site costs - Antimony Concentrate Transport	Freight to Port	\$/wmt* Concentrate	100.00
	Port Charges	\$/wmt Concentrate	5.00
	Marine/Transportation Insurance	\$/wmt Concentrate	1.00
	Ocean Freight	\$/wmt Concentrate	50.00
	Transport, Marketing, Insurance, etc.	\$/wmt Concentrate	156.00
	Transport, Marketing, Insurance, etc.	\$/dmt** Concentrate	171.60

*wmt is wet metric tonne

**dmt is dry metric tonne

Table xv: PEA Summary of Production (All Cases)

Item	Unit	Value
LOM Production		
Waste Mined	Mt	372
Mineralized Material Mined	Mt	101
Strip Ratio	Waste t:mineralized material t	3.7
Daily Mill Throughput	kt/d	20,000
Annual Mill Throughput	Mt	7.3
Mine Life	Production Years	14.2
Mill Head Grade – Overall		
Gold	g/t Au	1.72
Silver	g/t Ag	1.60
Antimony	% Sb	0.08
Oxide Process		

Item	Unit	Value
Tonnes	Mt	15.0
Gold	g/t Au	1.05
Silver	g/t Ag	0.10
Gold Flotation Process (e.g. Antimony Flotation)		
Tonnes	Mt	69.0
Gold	g/t Au	1.75
Silver	g/t Ag	0.42
Sb Flotation Process (>0.1% Sb only)		
Tonnes	Mt	17.4
Gold	g/t Au	2.18
Silver	g/t Ag	0.67
Antimony	% Sb	0.45
Concentrate Production		
Antimony Concentrate	dmt	126,474
LOM Payable Metal		
Gold	koz	4,922
Silver	koz	335
Antimony	klb	90,618

The results of the economic analyses are shown in Table xvi. Based on the assumptions made in this study, the after-tax (AT) net present value of Case B, using a discount rate of 5%, (ATNPV_{5%}) is estimated to be \$1,482M yielding an after-tax internal rate of return (IRR) of 27%. The ATNPV_{5%} and IRR increases considerably with the Case C metal prices and decreases with the Case A metal prices. The pre-tax (PT) NPV_{5%} for Case B was estimated to be \$2,136M with an IRR of 34%.

Table xvi: PEA Economic Results by Case

Parameter	Unit	Pre-tax Results	After-tax Results
Case A (\$1,200/oz Au, \$5.50/pound Sb, \$20.00/oz Ag)			
NPV0%	M\$	2,549	1,874
NPV5%	M\$	1,464	1,036
IRR	%	27	22
Payback period	Production years	2.8	3.7
Case B (\$1,400/oz Au, \$6.00/pound Sb, \$23.50/oz Ag) – Base Case			
NPV0%	M\$	3,580	2,557
NPV5%	M\$	2,136	1,482
IRR	%	34	27

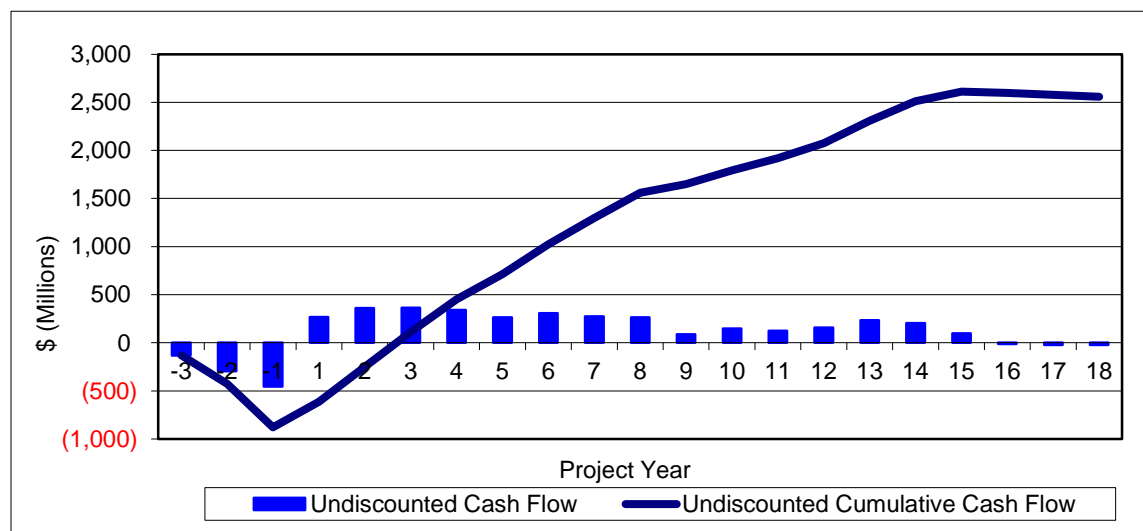
Parameter	Unit	Pre-tax Results	After-tax Results
Payback period	Production years	2.3	3.0
Case C (\$1,600/oz Au, \$6.50/pound Sb, \$27.00/oz Ag)			
NPV0%	M\$	4,611	3,233
NPV5%	M\$	2,808	1,923
IRR	%	40	32
Payback period	Production years	1.9	2.6
Case D (\$1,800/oz Au, \$7.00/pound Sb, \$30.00/oz Ag)			
NPV0%	M\$	5,642	3,910
NPV5%	M\$	3,480	2,364
IRR	%	46	36
Payback period	Production years	1.7	2.3

The contribution to the project economics, by metal, is about 93% from gold, 7% from antimony, and less than 1% from silver.

Using a discount rate of 5%, the after-tax break-even gold price for the project is \$880/oz gold (63% of the Case B gold price) without any contribution from antimony or silver.

The undiscounted after-tax cash flow for Case B is presented in Figure vi.

Figure vi: Undiscounted After-Tax Cash Flow (Case B – Base Case)



The preceding economic analysis was based on information developed for the PEA, however considerable additional work has been completed since that time and is in the process of being compiled for use in the planned PFS. As a result of the pending Mineral Resource updates, the sale of certain rights to a royalty to Franco-Nevada and other changes to the capital and operating estimates that are being developed for the PFS, the above estimates will be superseded in the planned PFS.

PEA Sensitivity Analysis

Sensitivity analyses were performed in the PEA using metal prices, mill head grade, CAPEX, and OPEX as variables. The value of each variable was changed plus and minus 20% independently while all other variables were held constant. The results of the sensitivity analyses are shown in Tables xvii and xviii.

Table xvii: PEA Pre-tax NPV_{5%} Sensitivities by Case

Case	Variable	Pre-tax NPV _{5%} (M\$)		
		-20% Variance	0% Variance	20% Variance
Case A	CAPEX	1,667	1,464	1,262
	OPEX	1,801	1,464	1,128
	Metal Price or Grade	625	1,464	2,304
Case B (Base Case)	CAPEX	2,339	2,136	1,934
	OPEX	2,473	2,136	1,800
	Metal Price or Grade	1,162	2,136	3,111
Case C	CAPEX	3,011	2,808	2,606
	OPEX	3,145	2,808	2,472
	Metal Price or Grade	1,700	2,808	3,917
Case D	CAPEX	3,683	3,480	3,278
	OPEX	3,817	3,480	3,144
	Metal Price or Grade	2,237	3,480	4,723

Table xviii: PEA After-tax NPV_{5%} Sensitivities by Case

Case	Variable	After-tax NPV _{5%} (M\$)		
		-20% Variance	0% Variance	20% Variance
Case A	CAPEX	1,176	1,036	889
	OPEX	1,242	1,036	816
	Metal Price or Grade	436	1,036	1,593
Case B (Base Case)	CAPEX	1,619	1,482	1,344
	OPEX	1,683	1,482	1,277
	Metal Price or Grade	828	1,482	2,122
Case C	CAPEX	2,060	1,923	1,786
	OPEX	2,124	1,923	1,721
	Metal Price or Grade	1,193	1,923	2,652
Case D	CAPEX	2,501	2,364	2,227
	OPEX	2,565	2,364	2,163
	Metal Price or Grade	1,547	2,364	3,181

PEA Regional Economic Benefits

In the PEA, the project was envisioned to require 431 direct employees during operations. Based on a mining industry multiplier of 2.5 jobs created for each direct mining job, an additional 1,000 jobs could potentially be created as a result of the project.

Annual fiscal benefits from the project, using Case B metal prices, would equate to approximately \$0.2M in property taxes, \$2.5M for Idaho mining tax, \$12.9M in state corporate income tax, and \$56.4M in federal corporate income tax.

Total fiscal benefits would equate to approximately \$3.0M in property taxes, \$37M for Idaho mining tax, \$183M in state corporate income tax, and \$801M in federal corporate income tax over the 14.2-year life of the mine.

Once the PFS is completed, these estimates will be updated.

Interpretation and Conclusions

Industry standard mining, processing, construction methods, and economic evaluation practices were used to assess the project when preparing the PEA. There was adequate geological and other pertinent data available to generate the PEA Technical Report.

Based on then current knowledge and assumptions, the results of this study showed that the project has positive economics and should be advanced to the next level of study by conducting the work indicated in the recommendations section of the PEA.

While a significant amount of information is still required for a complete assessment of the project, at the time of the PEA there did not appear to be any fatal flaws.

The PEA achieved its original objective of providing a preliminary review of the potential economic viability of the project based on the information available at that time.

Risks and Opportunities

As with almost all mining ventures, there are a large number of risks and opportunities that can affect the outcome of the project. Most of these risks and opportunities are based on uncertainty, such as lack of scientific information (test results, drill results, etc.) or the lack of control over external factors (metal price, exchange rates, etc.).

Subsequent higher-level engineering studies would be required to further refine these risks and opportunities, identify new risks and opportunities, and define strategies for risk mitigation or opportunity implementation.

The main preliminary risks identified for the project in the PEA were summarized as follows:

- Reduced metal prices, particularly gold price;
- The ability to acquire a mining permit while maintaining an acceptable development timeline;
- The ability to convert inferred mineral resources into indicated or measured resources;
- Increased opex and/or capex;
- Adverse geotechnical and hydrogeological conditions;
- Reduced metal recovery, or unacceptable deleterious element levels; and

- The ability to attract and retain experienced professionals.

In the PEA, the following opportunities were deemed to have potentially large positive impacts on the project economics:

- Increased Mineral Resources from exploration initiatives, including conversion of some portion of currently unclassified materials within the current pit limits to Mineral Resources, increasing Mineral Resources and reducing strip ratios;
- Definition of higher-grade Mineral Resources that would result in a deferral of lower-margin Mineral Resources to later in the mine life;
- The sale of gold concentrates instead of having onsite POX and cyanidation circuits ;
- The optimization of flotation (possibly to bulk flotation rather than sequential) to increase overall recoveries and other mineral process opportunities;
- Improved metal prices, particularly gold;
- Blending or additional cleaning of West End concentrate to eliminate the need for an acidulation circuit;
- Production of an antimony finished product (e.g. antimony trioxide) on-site or nearby;
- Development of an onsite limestone quarry to generate quicklime;
- Pit slope steepening;
- Access to governmental funding for off-site infrastructure, such as access and transmission lines;
- Project strategy and optimization including potential increases in throughput; and
- Alternate oxide material processing options.

Many of these and other risks and opportunities have been (or are being) evaluated as part of the work program leading up to the completion of the PFS and updated risks and opportunities will be summarized in the PFS.

PEA Recommendations

Based on the results of the PEA, it was recommended that the Project progress to the PFS phase. To do this a number of field and analytical initiatives needed to be undertaken to provide sufficient information to meet PFS requirements. In general, those included:

- Mineral resource definition drilling, sampling, and assaying to attempt to convert either in-pit unclassified material or Inferred Mineral Resources into Indicated or Measured Mineral Resources so they can be used in the economics of the PFS;
- Geotechnical and hydrogeological drilling, logging, and testing to be used in the analysis of recommended pit slope angles, water inflows into pits, access road bearing capacity and retaining walls, and facilities foundations;
- Further metallurgical drilling sampling and testing to enhance recoveries and payables;
- Geochemical testing of waste rock, mineralized material, and metallurgical test residues (solids and liquids);
- Borrow material and limestone source investigations; and
- Environmental data collection and detailed closure planning.

It was envisioned that the PFS field and laboratory work, including definition drilling, would cost between \$20M to \$25M over the next six to nine months from the date of the PEA Technical Report.

Base on a preliminary estimate it was estimated the actual PFS work would cost \$4M to \$5M over the 12 to 18 months following completion of the PEA.

2012 and 2013 Exploration Activities & Expenditures

Golden Meadows Project

The Corporation's property holdings at Golden Meadows are comprised of a contiguous package of unpatented federal lode claims, unpatented mill site claims, patented federal lode claims and patented mill site claims encompassing approximately 10,968 hectares. The Corporation acquired these rights through a combination of transactions and staking, as detailed above.

Golden Meadows Project is host to three known mineral deposits with identified Mineral Resources. During 2011, 107 holes were completed at the Project, totaling 23,860m of drilling.

During 2012, the Corporation completed approximately 50,645m of core, sonic, RC, geotechnical, and water monitor well drilling in 238 holes, of which 42,054m in 162 holes was core resource, 7065m in 30 holes was RC resource drilling, 574m in 23 holes was sonic geotechnical drilling and 743m in 20 holes was water monitor well drilling, An additional 207m in 3 holes was pre-collared by sonic drill but never completed. Approximately 40,000m of the 2012 drilling was designed to upgrade the confidence level in the Inferred Mineral Resources in all three of the known deposits (Hangar Flats, West End and Yellow Pine) or to expand those deposits. Results generally confirmed the previously defined Mineral Resources and, as a result, are expected to upgrade a portion of the Mineral Resources to an Indicated category. In addition, step-out drilling expanded the deposits beyond the previously defined resource limits – especially at Yellow Pine and, to some extent, West End. Approximately 5,300m of drilling was conducted for the purposes of discovering completely new deposits in 2012. This drilling was focused on the newly defined Scout gold-antimony deposit. Approximately 700m of holes were drilled specifically to collect sample material for metallurgical testing which, along with sample material collected from other holes, is being utilized in an extensive metallurgical optimization program nearing completion at independent laboratories, the results of which will be incorporated into the planned PFS.

During 2013, the Corporation completed approximately 9,420m of core drilling in 60 holes to further define Mineral Resources, 977m of auger drilling in 42 holes for historic tailings evaluation and 1,283m of RC, auger and core drilling in 21 holes for geotechnical and water monitoring purposes. The 2013 in-fill and Mineral Resource definition core drilling program was designed to increase confidence levels in the Hangar Flats, West End and Yellow Pine Mineral Resources by providing data to update and refine both the geological models and Mineral Resource estimates. The 2013 drilling program aimed to further define mineralization with the objective of improving the confidence level of the majority of the Mineral Resources to the Measured and Indicated categories, suitable for inclusion in the planned PFS. Oriented core was drilled to provide a better understanding of the structural controls on the deposit and aided in creating structural domains for resource calculations. Approximately 995m of larger diameter core (85mm) was drilled to provide metallurgical sampling material. Approximately 997m of auger drilling in 42 holes, using a 2.5 inch diameter split tub sampler was drilled to explore the potential for reprocessing of historic tailings located on the property – a Mineral Resource estimate for which was announced by the Corporation on October 28, 2013. A summary of each known mineral deposit follows:

Hangar Flats

Hangar Flats is a structurally controlled gold deposit hosted in intrusive rocks, with gold associated with sulphides in both the fault zone and adjacent rock defined by historic drilling, the Corporation's drilling and historic samples from underground workings. A total of 37 drill holes, consisting of 8,295m of drilling, were completed by the Corporation in 2009 and 2010. During 2011, 12 drill holes consisting of 4,265m were completed. In 2013 approximately 1,583m in 9 core holes were completed, all in the Mineral Resource area. The drilling program covered an area which begins south of the old caved or closed portals of the historic Meadow Creek Mine and extends about 1,000m north of these portals. The drilling completed in 2011 covered 1,500m of strike length and a maximum of 500m down dip and drilling resumed in early 2012, and between January 1 and December 31, 2012, 55 holes totaling 16,175m were completed primarily as in-fill drilling to improve the confidence of the deposit model and convert inferred resources to indicated resources. The Hangar Flats 2013 core drilling program was designed to increase confidence levels in the geologic and Mineral Resource model, convert Inferred Mineral Resources to the Measured and Indicated categories, to better define zones containing higher grade gold values and to confirm historic drilling results.

West End

The West End gold deposit has a primary structural control and secondary stratigraphic control, with gold occurring preferentially where certain rock types are cut by the West End or associated faults. At the end of 2013, the West End database consists of 66,094m in 654 holes drilled prior to Midas Gold and 11,683m in 49 holes drilled by Midas Gold. This drilling extends mineralization 1,300m along strike and a maximum of 200m down dip. During 2011, the Corporation conducted an abbreviated exploration drilling program at West End with the objective of upgrading the confidence level in the existing Mineral Resources and testing the potential to expand them. During 2011, a total of 9 holes consisting of 1,353m of drilling were completed through December 31, 2011.

A total of 28 holes totaling 7,311m were completed during the January 1 to December 31, 2012 period. These holes were primarily in-fill drill holes and holes to test the West End structural zone at depth.

During 2013, two core holes totalling 450m were drilled in the West End Mineral Resource area. The core holes were designed to test for extension of higher grade gold mineralization in favorable stratigraphic units.

Yellow Pine

Yellow Pine is a structurally controlled gold deposit hosted in intrusive rocks, with gold associated with sulphides in both the fault zone and adjacent rock. There are six exploration data sets that support the current Mineral Resource estimation, five of which are historical, with no drilling completed by the Corporation in 2009 or 2010. That drilling covers 1,500m of strike length and a maximum of 400m down dip. During 2011, the Corporation conducted a drilling program at Yellow Pine with the objective of upgrading the confidence level in, and expanding, the existing mineral resources. During 2011, 83 holes were completed totaling approximately 17,413m.

From January 1 through December 31, 2012, 83 holes totaling 19,364m were completed in the Yellow Pine area. The majority of these holes were in-fill and step-out holes and, in a number of cases resulted in expansion of the spatial extent of known mineralization down dip or laterally.

During 2013, approximately 7,385m of core in 49 holes were completed in the Yellow Pine Mineral

Resource area. Holes were designed to increase confidence in the geologic model and in the Mineral Resource estimates, particularly in the central part of the Mineral Resource area; to convert Inferred Mineral Resources to the Measured and Indicated categories; to provide core for metallurgical testing; and to increase confidence in both historic drill results and Midas Gold RC drill results.

SODA

SODA (Spent Ore Disposal Area) consists of a stockpile of tailings from Bradley era operations which have been covered by spent ore from the 1980-90s era on-off leach pads. The stockpile is approximately 600m by 250m by 70-50m thick. Tailings thickness ranges from 45 to <1m. During 2013, a drilling program was designed to characterize both the cap rock and tailings. The program consisted of 977m of drilling using a hollow stem auger in 42 holes. Holes penetrated through spent ore and tailings and up to 5m into underlying in situ material. Samples were collected using a 7.6cm split inner tube driven in advance of the auger flights for continuous recovery of materials and to eliminate cross-contamination. Both spent ore and tailings were analyzed for gold, silver, antimony and other elements. Drilling was of sufficient density to support the estimation of a Mineral Resource of approximately 2.526 million tonnes of Indicted and 0.176 million tons of Inferred material with an average grade of 1.615 g/t. Results from the SODA area were reported in the Corporation's October 17, 2013 and October 28, 2013 press releases.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources at SODA will be converted into mineral reserves. Mineral reserves can only be estimated as a result of an economic evaluation as part of a PFS or a FS of a mineral project.

District Exploration

During 2012, the Corporation completed district-scale exploration activities including collection of over 3,500 soils on six major grids covering approximately 25 square kilometers (" km^2 "), approximately 350 stream silts covering 130 km^2 and numerous rock samples and geologic mapping, as well as 50 line-km of CSAMT ground-based geophysical surveys covering approximately 21 km^2 . Several new prospects were identified and, at several others, the spatial extent of known surface mineralization was expanded by surface sampling activities or by inference from the geophysical surveys.

A new gold-silver-antimony discovery at the Scout Prospect was confirmed with the completion of 16 widely-spaced, core and reverse circulation drill holes totaling 3,821m covering a north-south trending structural corridor over a strike length of 825m. Significant mineralization was encountered in the Scout drill holes and a preliminary Mineral Resource estimate is in progress and is expected to be completed in the first quarter of 2014.

Exploration and Development Plans

The core objective of the Corporation is to complete an updated comprehensive evaluation of the economic potential of the Golden Meadows Project through the completion of a PFS, building on the results of the PEA that was published in September 2012. Key areas of on-going activity include:

- Design optimization of the conceptual Golden Meadows Project that was described in the PEA, with a major focus on reclamation of existing historic disturbance and eventual restoration of the brownfields site, including enhancement of the local fishery, the re-establishment of fish

passage upstream of existing barriers created by historic mining, and the development of wetlands in historically disturbed areas and on post-closure reclaimed areas.

- Evaluation of the potential for reprocessing tailings deposited by historic milling operations conducted from the late 1920s through to the early 1950s, where the recent mineral resource estimate confirmed past indications of potentially economically attractive grades in those tailings. Reprocessing of these materials may also assist with remediation of past mining disturbance through their removal from their current location and their re-placement in a lined tailings facility, reducing potential for metal leaching into groundwater.
- Comprehensive remodelling of geology of the mineral deposits that comprise the Golden Meadows Project, incorporating the results of Midas Gold's approximately 43,180m of new resource-definition related drilling completed since the cut-off date used in the September 2012 PEA, as well as additional drill data recovered for holes completed pre-Midas Gold's involvement in Golden Meadows.
- Updated mineral resource estimates, utilizing the new geologic models and new drill data acquired since the date of the PEA mineral resource estimate, including additional data recovered from holes completed prior to Midas Gold's involvement in the project. The objective of incorporating the additional drilling and data is to convert a portion of the inferred mineral resource into the indicated and measured categories in this mineral resource update and will be used as the basis for the planned PFS.
- Optimization of pit scheduling (which deposit gets mined in what sequence, blending options, etc.), as well as evaluating the economic and environmental trade-offs of mining certain high strip ratio mineralization (such as the deeper portions of the Hangar Flats deposit) which yield only modest incremental cash flow in the PEA but generate substantial amounts of waste material - elimination of these more marginal ounces could result in a smaller project footprint and less sustaining capital (as the need for replacement of the mining fleet is reduced or eliminated) with minimal impact on the project net present value.
- Extensive metallurgical testing of mineralization from all three main deposits, plus the tailings, with the objective of optimizing economic performance, including grind size versus recovery testing, options for enhanced flotation recoveries, pressure oxidation versus bio-oxidation testing on concentrates, leaching optimization for oxides and oxidized concentrates, carbonate rejection work to reduce or eliminate the need for acidulation costs (capital and operating) when processing West End materials, options for historic tailings retreatment, and other such optimizations.
- Trade-off studies looking at the economic, environmental and post-closure impacts of power supply options, process plant locations, access routes, etc.

Midas Gold is continually evaluating opportunities to reduce the environmental footprint of the Project, while maintaining project economics, by evaluating opportunities to remediate, reclaim and restore the extensive disturbance from historic mining activities at the site. Midas Gold considers location, operation, closure and post-closure in the design of all aspects of the Project, and the risks related thereto.

With the additional funding in place from the recent Private Placement and the 2013 transactions with Franco-Nevada and Teck, the Corporation continues to balance the timing and prioritization of expenditures, looking to reduce costs while still delivering the Corporation's major objectives in a timely and cost effective manner. The Corporation has completed the closure of its office in Spokane, WA as part of its cost-reduction efforts. The major corporate objectives remain:

1. Completing updated mineral resource estimates for each of the mineral deposits incorporating substantial amounts of new data by the end of Q1/14;
2. Completion of a PFS (as opposed to the previously contemplated updating the PEA) in mid-2014; and
3. Completion and filing of a draft Plan of Operations thereafter, should result of the PFS and other circumstances warrant.

With its current financial position, Midas Gold believes that it has sufficient funding to meet the above objectives.

Social and Environmental Policies

The Corporation maintains a written Code of Conduct and Ethical Values Policy (the "**Code**"), which sets out standards of behaviour required by all employees in conducting the business and affairs of Midas Gold and its subsidiaries. Compliance with the Code is mandatory for all employees, officers and directors, and the full text may be viewed on the Corporation's web site. Included within the Code is a requirement that all employees comply with all laws and governmental regulations applicable to the Corporation's activities, including but not limited to, maintaining a safe and healthy work environment, promoting a workplace that is free from discrimination or harassment and conducting all activities in full compliance with all applicable environmental and securities laws.

Risk Factors

Midas Gold is subject to a number of significant risks due to the nature of its business and the present stage of its business development. Only those persons who can bear risk of the entire loss of their investment should invest in the Corporation's common shares.

Midas Gold's failure to successfully address such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its common shares may decline and investors may lose all or part of their investment. Midas Gold cannot give assurance that it will successfully address these risks or other unknown risks that may affect its business. Estimates of mineral resources are inherently forward-looking statements subject to error. Although mineral resource estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

Below is a brief summary of the major risk factors management has identified, which relate to the Corporation's business activities. These risk factors are not a definitive list of all risk factors associated with an investment in the common shares of Midas Gold or in connection with the Corporation's operations. Other specific risk factors are discussed elsewhere in this AIF.

Industry Risks

Metal prices have fluctuated widely in the past and are expected to continue to do so in the future, which may adversely affect the amount of revenues derived from production of mineral reserves.

The commercial feasibility of the Project and Midas Gold's ability to arrange funding to conduct its

planned exploration projects is dependent on, among other things, the price of gold and other potential by-products. Depending on the price to be received for any minerals produced, Midas Gold may determine that it is impractical to commence or continue commercial production. A reduction in the price of gold or other potential by-products may prevent the Project from being economically mined or result in the write-off of assets whose value is impaired as a result of low precious metals prices.

Future revenues, if any, are expected to be in large part derived from the future mining and sale of gold and other potential by-products or interests related thereto. The prices of these commodities fluctuate and are affected by numerous factors beyond Midas Gold's control, including, among others:

- international economic and political conditions,
- expectations of inflation or deflation,
- international currency exchange rates,
- interest rates,
- global or regional consumptive patterns,
- speculative activities,
- levels of supply and demand,
- increased production due to new mine developments,
- decreased production due to mine closures,
- improved mining and production methods,
- availability and costs of metal substitutes,
- metal stock levels maintained by producers and others, and
- inventory carrying costs.

The effect of these factors on the price of gold and other potential by-products cannot be accurately predicted. If the price of gold and other potential by-products decreases, the value of Midas Gold's assets would be materially and adversely affected, thereby materially and adversely impacting the value and price of Midas Gold's common shares.

Global financial markets can have a profound impact on the global economy, in general and on the mining industry in particular.

Many industries, including the precious metal mining industry, are impacted by global market conditions. Some of the key impacts of the financial market turmoil can include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global and specifically mining equity markets, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, reduced consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, lack of future financing, changes in interest rates and tax rates may adversely affect Midas Gold's growth and profitability potential.

Specifically:

- a global credit/liquidity crisis could impact the cost and availability of financing and Midas Gold's overall liquidity;
- the volatility of gold and other potential by-product prices may impact Midas Gold's future revenues, profits and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- the devaluation and volatility of global stock markets impacts the valuation of the Corporation's equity securities, which may impact its ability to raise funds through the issuance of equity.

Mineral exploration in the Western United States is subject to numerous regulatory requirements on land use.

The exploration for and development of mineral resources in the western United States is subject to Federal, State and local regulatory processes and evolving application of environmental and other regulations can and has affected the ability to advance mineral projects as effectively as in prior years. A number of mineral projects in the western United States have been subjected to regulatory delays or actions that have impeded the progress of these projects towards production.

Resource exploration and development is a high risk, speculative business.

Exploration for and development of mineral resource is a speculative business, characterized by a high number of failures. Substantial expenditures are required to discover new deposits and to develop the infrastructure, mining and processing facilities at any site chosen for mining. Most exploration projects do not result in the discovery of commercially viable deposits and no assurance can be given that any particular level of recovery or mineral reserves will in fact be realized by Midas Gold or that any mineral deposit identified by Midas Gold will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

Mineral exploration is subject to numerous industry operating hazards and risks, many of which are beyond Midas Gold's control and any one of which may have an adverse effect on its financial condition and operations.

The Project and any future operations in which Midas Gold has a direct or indirect interest will be subject to all the hazards and risks normally incidental to resource companies. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the conduct of exploration programs and the operation of mines. If any of these events were to occur, they could cause injury or loss of life, severe damage to or destruction of property. As a result, Midas Gold could be the subject of a regulatory investigation, potentially leading to penalties and suspension of operations. In addition, Midas Gold may have to make expensive repairs and could be subject to legal liability. The occurrence of any of these operating risks and hazards may have an adverse effect on Midas Gold's financial condition and operations, and correspondingly on the value and price of Midas Gold's common shares.

Exploration activities are subject to geologic uncertainty and inherent variability.

There is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There may also be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

The quantification of mineral resources is based on estimates and is subject to great uncertainty.

The calculations of amounts of mineralized material within a mineral resource are estimates only. Actual recoveries of gold and other potential by-products from mineral resources may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio, or the price of gold and other potential by-products may affect the economic viability of a mineral property. In addition, there can be no assurance that the recoveries of gold and other potential by-products in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Notwithstanding the results of any pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same

manner as it did in testing.

Mining and metallurgy are an inexact science and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable. Until a deposit is actually mined and processed, the quantity of mineral reserves, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral reserves, mineral resources, grade, percent extraction of those mineral reserves recoverable by underground mining techniques or stripping ratio for those mineral reserves recoverable by open pit mining techniques may affect the economic viability of a mining project.

Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.

The mining industry has recently been subjected to conditions that have resulted in significant increases in the cost of equipment, labour and materials. The Corporation uses benchmarked data for the operation and capital costs included in its PEA and Technical Report dated September 21, 2012, however there is no guarantee that development or operations of the Project will eventuate, and if it did, such operating or capital costs will prevail.

Risks Related to the Corporation

Midas Gold will need to raise additional capital through the sale of its securities or other interests, which may result in dilution to the existing shareholders and, if such funding is not available, Midas Gold's operations would be adversely effected.

Midas Gold does not generate any revenues and does not have sufficient financial resources to undertake by itself all of its planned exploration programs. Midas Gold has limited financial resources and has financed its operations primarily through the sale of Midas Gold's securities such as common shares. Midas Gold will need to continue its reliance on the sale of its securities for future financing, resulting in dilution to existing shareholders. Further exploration programs will depend on Midas Gold's ability to obtain additional financing, which may not be available under favourable terms, if at all. If adequate financing is not available, Midas Gold may not be able to commence or continue with its exploration programs.

Future sales of Midas Gold's common shares into the public market by holders of Midas Gold options and warrants may lower the market price, which may result in losses to Midas Gold's shareholders.

Sales of substantial amounts of Midas Gold's common shares into the public market by unrelated shareholders, Midas Gold's officers or directors or pursuant to the exercise of options or warrants, or even the perception by the market that such sales may occur, may lower the market price of the Corporation's common shares.

Midas Gold is subject to numerous government regulations which could cause delays in carrying out its operations, and increase costs related to its business.

Midas Gold's mineral exploration and development activities are subject to various laws and regulations governing operations, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing operations, or more stringent implementation thereof could substantially increase the costs associated with Midas Gold's business or prevent it from exploring or developing its properties.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Midas Gold and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Midas Gold has not completed an environmental impact statement, nor has it received the necessary permits for water or explosives to conduct mining operations.

The department responsible for environmental protection in the USA has broad authority to shut down and/or levy fines against facilities that do not comply with environmental regulations or standards. Failure to obtain the necessary permits would adversely affect progress of Midas Gold's operations and would delay or prevent the beginning of commercial operations.

Midas Gold's activities are subject to environmental liability.

Midas Gold is not aware of any claims for damages related to any impact that its operations have had on the environment but it may become subject to such claims in the future. An environmental claim could adversely affect Midas Gold's business due to the high costs of defending against such claims and its impact on senior management's time. Also, environmental regulations may change in the future which could adversely affect Midas Gold's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations would become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

Midas Gold faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources and Midas Gold may not be able to effectively compete.

The mineral resource industry is intensively competitive in all of its phases, and Midas Gold competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect Midas Gold's ability to acquire suitable prospects for exploration in the future.

Midas Gold's exploration efforts may be unsuccessful in locating viable mineral resources.

Mineral resource exploration and, if warranted, development, is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in volume and/or grade to return a profit from production. There is no certainty that the expenditures that have been made and may be made in the future by Midas Gold related to the exploration of its properties will result in discoveries of mineralized material in commercial quantities.

Most exploration projects do not result in the discovery of commercially viable mineral deposits and no assurance can be given that any particular level of recovery or mineral reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially viable deposit which can be legally and economically exploited.

If Midas Gold's mineral resource estimates are not indicative of the actual gold that can be mined, the

mineable gold that can be recovered from Golden Meadows may be less than the mineral resource estimate and the Project may not be a viable project.

Assays results from core drilling or reverse circulation drilling can be subject to errors at the laboratory analyzing the drill samples. In addition, reverse circulation or core drilling may lead to samples which may not be representative of the gold or other metals in the entire deposit. Mineral resource estimates are based on interpretation of available facts and extrapolation or interpolation of data and may not be representative of the actual deposit. All of these factors may lead to a mineral resource estimate which is overstated.

If Midas Gold's mineral resource estimates for the Project are not indicative of actual recoveries of gold and other potential by-products, Midas Gold will have to continue to explore for a viable deposit or cease operations.

Midas Gold has a limited history as an exploration company and does not have any experience in putting a mining project into production.

Midas Gold has been actively engaged in exploration only since 2009. Midas Gold does not hold any mineral reserves and does not generate any revenues from production. Midas Gold's success will depend largely upon its ability to locate, define and develop commercially viable mineral reserves, which may never happen. Further, putting a mining project into production requires substantial planning and expenditures and, as a corporation, Midas Gold does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate Midas Gold's prospects, and its future success is more uncertain than if it had a longer or more proven history.

Midas Gold expects to continue to incur losses and may never achieve profitability, which in turn may harm the future operating performance and may cause the market price of Midas Gold's common shares to decline.

Midas Gold has incurred net losses every year since inception. Midas Gold currently has no commercial production and has never recorded any revenues from mining operations. Midas Gold expects to continue to incur losses, and will continue to do so until such time, if ever, as its properties commence commercial production and generate sufficient revenues to fund continuing operations.

The development of new mining operations will require the commitment of substantial resources for operating expenses and capital expenditures, which may increase in subsequent years as Midas Gold adds, as needed, consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Project or any other properties. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with others in the future, its acquisition of additional properties, and other factors, many of which are unknown today and may be beyond the Corporation's control. Midas Gold may never generate any revenues or achieve profitability. If Midas Gold does not achieve profitability, it will have to raise additional financing or shut down its operations.

Midas Gold's title to its mineral properties and its validity may be disputed in the future by others claiming title to all or part of such properties.

Midas Gold's properties consist of various mining concessions in the USA. Under USA law, the concessions may be subject to prior unregistered agreements or transfers, which may affect the validity of Midas Gold's ownership of such concessions. A claim by a third party asserting prior unregistered agreements or transfer on any of Midas Gold's mineral properties, especially where commercially viable mineral reserves have been located, could adversely result in Midas Gold losing commercially viable mineral reserves. Even if a claim is unsuccessful, it may potentially affect Midas Gold's current

operations due to the high costs of defending against such claims and its impact on senior management's time. If Midas Gold loses a commercially viable mineral reserve, such a loss could lower Midas Gold's revenues or cause it to cease operations if this mineral reserve represented all or a significant portion of Midas Gold's operations at the time of the loss.

Midas Gold's ability to explore and, if warranted, exploit its mineral resources may be impacted by litigation or consent decrees entered into or proposed to be entered into by previous owners of mineral rights that now comprise the Project, related to disturbance related to past mining and exploration activities.

Several of the patented lode and mill site claims acquired by Midas Gold in the West End Deposit and the Cinnabar claim groups held under option are subject to a consent decree, which covers certain environmental liability and remediation responsibilities with respect to such claims. The consent decree requires that heirs, successors and assigns refrain from activities that would interfere with or adversely affect the integrity of any remedial measures implemented by government agencies. Several of the patented claims in the Hangar Flats and Yellow Pine properties that were recently purchased are subject to a consent decree between the owner of those claims and the United States, which creates certain obligations on that owner, including that that owner will cooperate with the U.S. Environmental Protection Agency and U.S. Forest Service in those agencies' efforts to secure any government controls necessary to implement response activities.

All industries, including mining, are subject to legal claims with or without merit. Defense and settlement costs can be substantial, even with respect to claims without merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular claim could have an effect on the Corporation's financial position. It is possible that any proposal to develop a mine on the Project, or any governmental approval for such a development, could be challenged in court by third parties, the effect of which would be to delay and possibly entirely impede the Corporation from developing the Project or commencing production.

Midas Gold depends on key personnel for critical management decisions and industry contacts but does not maintain key person insurance.

Midas Gold is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of Midas Gold. Midas Gold's success is dependent to a great degree on its ability to attract and retain highly qualified management personnel. The loss of any such key personnel, through incapacity or otherwise, would require Midas Gold to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. Midas Gold does not maintain key person insurance in the event of a loss of any such key personnel.

Midas Gold does not have a full staff of technical people and relies upon outside consultants to provide critical services.

Midas Gold has a relatively small staff and depends upon its ability to hire consultants with the appropriate background and expertise as such persons are required to carry out specific tasks. Midas Gold's inability to hire the appropriate consultants at the appropriate time could adversely impact Midas Gold's ability to advance its exploration activities.

Certain Midas Gold directors also serve as officers and/or directors of other mineral resource companies, which may give rise to conflicts.

Certain Midas Gold directors and officers are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. Directors and officers of the Corporation with conflicts of interest will be subject to and will follow the procedures set

out in applicable corporate and securities legislation, regulations, rules and policies.

Midas Gold has no history of paying dividends, does not expect to pay dividends in the immediate future and may never pay dividends.

Since incorporation, neither Midas Gold nor any of its subsidiaries have paid any cash or other dividends on its common shares, and the Corporation does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs.

Midas Gold's business involves risks for which Midas Gold may not be adequately insured, if it is insured at all.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including landslides, ground failures, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks. Midas Gold does not currently have insurance against all such risks and may decide not to take out insurance against all such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Midas Gold.

Additionally, the Corporation is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products by third-parties occurring as part of historic exploration and production) has not been generally available to companies within the industry. The Corporation periodically evaluates the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Corporation becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Corporation has to pay such liabilities and result in bankruptcy. Should the Corporation be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

A shortage of supplies and equipment could adversely affect Midas Gold's ability to operate its business.

Midas Gold is dependent on various supplies and equipment to carry out its operations. The shortage of such supplies, equipment and parts could have a material adverse effect on Midas Gold's ability to carry out its operations and therefore have a material adverse effect on the cost of doing business.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not paid any dividends or distributions on its common shares since its incorporation. Any decision to pay dividends on common shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized capital of the Corporation consists of an unlimited number of common shares without par value, an unlimited number of first preferred shares without par value, and an unlimited number of second preferred shares without par value.

Common Shares

There are 141,705,090 common shares issued and outstanding as at the date of this AIF. There are no special rights or restrictions of any nature attached to any of the common shares, which all rank equally as to all benefits which might accrue to the holders of common shares. All registered shareholders are entitled to receive a notice of any general meeting of the shareholders to be convened by the Corporation. At any general meeting, subject to the restrictions on joint registered owners of common shares, on a show of hands every shareholder who is present in person and entitled to vote has one vote and on a poll, every shareholder has one vote for each common share of which he, she or it is the registered owner and may exercise such vote either in person or by proxy.

Preferred Shares

No first preferred shares or second preferred shares are issued and outstanding as of the date of this AIF.

The first preferred shares have certain privileges, restrictions and conditions. The first preferred shares may be issued in one or more series and the board of directors (the "**Board**") may from time to time fix the number and designation and create special rights and restrictions. First preferred shares would rank on a parity with first preferred shares of any other series (if any) and be entitled to priority over the second preferred shares, common shares, and the shares of any other class ranking junior to the first preferred shares with respect to the payment of dividends and the distribution of assets on a liquidation, dissolution or winding up of the Corporation. Holders of first preferred shares shall be entitled to receive notice of and to attend all annual and special meetings of shareholders of the Corporation, except for meetings at which any holders or a specified class or series are entitled to vote, and to one vote in respect of each first preferred share held at all such meetings.

The second preferred shares have certain privileges, restrictions and conditions. Second preferred shares may be issued in one or more series and the directors may from time to time fix the number and designation and create special rights and restrictions. Second preferred shares would rank on a parity with second preferred shares of any other series (if any) and be entitled to priority over the common shares and the shares of any other class ranking junior to the second preferred shares with respect to the payment of dividends and the distribution of assets on a liquidation, dissolution or winding up of the Corporation. Holders of second preferred shares shall be given notice of and be invited to attend meetings of the voting Shareholders of the Corporation, but shall not be entitled as such to vote at any general meeting of shareholders of the Corporation.

MARKET FOR SECURITIES

Trading Price and Volume

The following table sets out information relating to the monthly trading of the common shares of the Corporation on the TSX (under symbol "MAX") for the months indicated:

Period	High	Low	Volume
2013			
January	\$2.26	\$1.80	1,901,390
February	\$1.98	\$1.27	2,848,348
March	\$1.53	\$1.23	3,437,242
April	\$1.31	\$0.76	5,746,515
May	\$0.86	\$0.66	8,521,637
June	\$0.89	\$0.68	2,871,189
July	\$0.96	\$0.75	3,346,721
August	\$1.32	\$0.82	5,074,362
September	\$1.05	\$0.79	4,198,015
October	\$1.08	\$0.80	2,810,628
November	\$1.01	\$0.63	2,690,794
December	\$0.76	\$0.65	2,341,674

Source: TSX InfoSuite

Prior Sales

The following table summarizes the securities of the Corporation that are outstanding but not listed or quoted on a marketplace that have been issued by the Corporation during the most recently completed financial year:

Date of Issue	Type of Securities	Number of Securities	Issue or Exercise Price per Security	Cash Proceeds	Reason for Issue
May 9, 2013	warrants	2,000,000	\$1.23	nil	Royalty Transaction ⁽¹⁾
May 22, 2013	stock options	590,000	\$0.71	nil	Grant of stock options
July 31, 2013	stock options	500,000	\$0.89	nil	Grant of stock options

(1) On May 9, 2013, Midas Gold and its subsidiaries completed a \$15.0 million transaction with Franco-Nevada and one of its subsidiaries whereby Midas Gold agreed to sell certain rights to a royalty on future gold production from the Golden Meadows Project for a cash payment of \$14.65 million, and included a subscription agreement for two million warrants exercisable for shares of Midas Gold for proceeds of \$0.35 million.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, province or state and country of residence and position with the Corporation of each director and executive officer of the Corporation, the principal business or occupation in which each director and executive officer of the Corporation has been engaged during the immediately preceding five years, the period during which each director has served as director and the number and percentage of the voting securities beneficially owned, or controlled or directed, directly or indirectly, by each director and executive officer as at the date of this AIF is set out in the table below. Each director's term of office will expire at the next annual general meeting of the Corporation unless earlier due to resignation, removal or death of the director. The term of office of the officers expires at the discretion of the Corporation's directors.

Name, Province/State and Country of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number and Percentage of Common Shares Held ⁽¹⁾
Stephen P. Quin British Columbia, Canada	President, CEO and Director ⁽⁴⁾	President, CEO & Director of the Corporation since inception, and same for MGI since January 1, 2011. Prior to that, President of Capstone Mining Corp. from November 22, 2008 until December 2010 and, prior to that President and CEO of Sherwood Copper Corp. from September 1, 2005 until November 2008.	Director and Officer since February 22, 2011	1,568,700 1.12%
Michael Richings Washington, USA	Director ⁽²⁾	Non-executive Chairman of Vista Gold Corp., since November 2007; former CEO of Vista from November 2007 to January 2012; director of Guyana Goldfields Inc.; former director of Allied Nevada Gold Corp. from September 2006 to June 2009; former director of Zaruma Resources Inc. from November 2005 to June 2009.	Director since February 22, 2011	20,000 0.01%
Frederick Earnest Colorado, USA	Director ⁽⁴⁾	President of Vista since November 2007 and CEO of Vista since January 2012; former COO of Vista from August 2007 to January 2012; a director of Vista since August 2007. Formerly Sr. VP Project Development of Vista from September 2006 to August 2007 and President of Pacific Rim El Salvador S.A. de C.V. from June 2004 to September 2006.	Director since April 1, 2011	10,000 0.007%
Donald Young British Columbia, Canada	Director ^{(2) (5)}	Director of OSI Geospatial Inc. from March 2006 until January 2010; director of BC Safety Authority, April 2009 – March 2012; director of Kimber Resources Inc. February 2008 – April 2013; director of Dundee Precious Metals Inc. since May 2010; and director of Wildcat Silver Corporation since June 2013.	Director since April 1, 2011	15,000 0.01%
Jerry Korpan London, United Kingdom	Director ^{(3) (5)}	Director of B2Gold Corp. since November 2007; and director of Bema Gold Corporation from June 2002 until February 2007.	Director since April 1, 2011	1,150,000 0.81%
Peter Nixon Ontario, Canada	Director and Chairman ⁽³⁾	Director of Dundee Precious Metals Inc. since June 2002; director of Kimber Resources Inc. March 2007 – April 2013; director of Miramar Mining Corporation from June 2002 until December 2007	Director since April 1, 2011	25,000 0.02%

Name, Province/State and Country of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number and Percentage of Common Shares Held ⁽¹⁾
		when the company was acquired by Newmont Mining Corporation; director of Reunion Gold Corp. since March 2004 and director of Stornoway Diamond Corporation since March 2003.		
Wayne Hubert Utah, USA	Director ^{(2) (3)}	Previously, CEO of Andean Resources from September 2006 until December 2010, when Andean was acquired by Goldcorp Inc. Prior to this, VP of Business Development and Investor Relations for Meridian Gold Inc. from September 1998 until September 2006.	Director since April 1, 2011	153,000 0.11%
John Wakeford British Columbia, Canada	Director ^{(4) (5)}	Strategic Technical Consultant of Sabina Gold & Silver Corp, from January 1, 2012 to present. Prior to this, Senior Vice President, Corporate Development of Sabina Gold & Silver Corp. from August 2008 to January 2012. Prior to this, Vice President, Exploration of Miramar Mining Corp. from September 2003 to December 2007 and Consultant to Newmont Mining Corporation from January 2008 to April 2008.	Director since April 11, 2011	nil
Darren Morgans British Columbia, Canada	Chief Financial Officer	CFO of the Corporation since April 2011; prior to that, Corporate Secretary and Controller for Terrane Metals Corp. from July 2006 until March 2011.	Officer since April 13, 2011	5,000 0.004%
Robert Barnes South Dakota, USA	Chief Operating Officer	COO of the Corporation from January 1, 2013 to present; Vice President, Development of the Corporation from September 1, 2011 to December 31, 2011; prior to that, VP Operations, Capstone Mining Corp. June 2005 to April 2011.	Officer since September 1, 2011	27,471 0.02%
Anne Labelle British Columbia, Canada	Vice President, Legal & Sustainability	VP, Legal & Sustainability of the Corporation since June 6, 2011; Manager, Sustainability & Legal Affairs, Capstone Mining Corporation from May 2008 to April 2011; Lawyer, Gowling Lafleur Henderson LLP, from September 2006 to May, 2008.	Officer since June 6, 2011	50,000 0.04%
John Meyer	Vice President, Development	VP Development of the Corporation from January 1, 2013 to present; Development	Officer since January 1, 2013	nil

Name, Province/State and Country of Residence	Position with the Corporation	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number and Percentage of Common Shares Held ⁽¹⁾
Eagle, ID, USA		Manager from January 1, 2012 to December 31, 2012; prior to that Project Manager of the Kinross Gold Corporation Fruta del Norte (FDN) project from 2007 to December 2011.		

- (1) All common shares are held directly unless otherwise indicated herein. Of Mr. Quin's total share holdings, 60,000 shares are held indirectly in his RRSP and 2,700 are held indirectly in his TFSA. All other common shares are held directly.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Member of the Environmental, Health and Safety Committee.
- (5) Member of the Compensation Committee.

As of the date of this AIF, directors and executive officers of the Corporation, as a group, will beneficially own, or exercise control or direction, directly or indirectly, over an aggregate of 3,024,171 common shares representing 2.13% of the outstanding common shares of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, none of the Corporation's directors or executive officers is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that:

- (a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

"Order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant corporation access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

None of the Corporation's directors or executive officers or, to the Corporation's knowledge, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder; or
- (c) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

To the best of the Corporation's knowledge, there are no known existing or potential conflicts of interest among the Corporation, its directors or officers as a result of their outside business interests, except that certain of the directors and officers serve as directors and/or officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. In accordance with the *Business Corporations Act* (British Columbia), such directors or officers will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

A. PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") of Midas Gold is to:

1. oversee the nature and scope of the annual audit and the Corporation's relationship with its external auditors
2. oversee that management of the Corporation has designed and implemented effective systems of internal financial controls;

3. oversee management's preparation of the Corporation's consolidated financial statements and management's discussion and analysis ("**MD&A**");
4. to review management's compliance with financial regulatory and statutory requirements; and
5. to provide an avenue for effective communication among the Corporation's external auditors, management and the Board of Directors.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board, all of whom shall be non-management directors, and "independent", within the meaning of all applicable Canadian and U.S. securities laws and the rules of each stock exchange on which Midas Gold's securities are listed (collectively, the "**Applicable Regulations**"), except if and to the extent that the Applicable Regulations permit otherwise.
2. Each member of the Committee shall meet the requirements of Rule 10A-3 under the United States Securities Exchange Act of 1934, as amended. Therefore, members of the Committee may not, other than in their respective capacities as members of the Committee, the Board or any other committee of the Board, accept, directly or indirectly, any consulting, advisory or other compensatory fee from Corporation, or be an "affiliated person" (as such term is defined in the United States Securities Exchange Act of 1934, as amended, and the rules adopted by the United States Securities and Exchange Commission thereunder) of the Corporation. For greater certainty, director's fees, options and similar compensation arrangements and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation that are not contingent on continued service should be the only compensation a member of the Committee receives from the Corporation.
3. No member of the Committee shall have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the prior three years.
4. At least one member of the Committee shall be an "audit committee financial expert" within the meaning of that term under the United States Securities Exchange Act of 1934, as amended, and the rules adopted by the United States Securities and Exchange Commission thereunder.
5. All of the members of the Committee shall be "financially literate" (i.e. such members must have the ability to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement, and a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements).
6. At least one member of the Committee must be financially sophisticated, in that such member has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background (to the extent permitted by the Applicable Regulations) that results in the individual's financial sophistication.
7. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

8. The members of the Committee shall elect a chair from among their number.
9. The secretary of the Committee shall be the Corporate Secretary, unless otherwise determined by the Committee.
10. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
11. The Committee shall have access to such officers, employees, internal auditors (if any) and external auditors of Midas Gold, and to such information and any documents of the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.
12. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually, and at least once quarterly, at such times and at such locations as may be requested by the Chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) the Chair of the Committee shall be responsible for developing and setting the agenda for Committee meetings and determining the time and place of such meetings;
 - (d) the following management representatives shall be invited to attend meetings, except executive sessions and private sessions:
 - (i) Chief Executive Officer; and
 - (ii) Chief Financial Officer;
 - (e) other management representatives shall be invited to attend as necessary; and
 - (f) notice of the time and place of every meeting of the Committee shall be given to each member of the Committee a reasonable time before the meeting.
13. The external auditors shall report directly to the Committee and shall have a direct line of communication to the Committee through its Chair. The Committee, through its Chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions, or any other matter contemplated in any "whistle blower" policies adopted by the Corporation.
14. The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation.
15. The Committee shall have authority to engage, at the expense of the Corporation, persons having special expertise and/or obtain independent professional advice, including, without

limitation, independent counsel and other advisors, as it determines necessary to carry out its duties, and to set the compensation for any such advisors employed by the Audit Committee.

16. the Corporation shall provide, without any further approval of the Board required, for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment: (i) of compensation to any external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, (ii) of compensation to any advisors or other persons employed by the Committee; and (iii) of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to oversee the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation;
 - (b) to assist the Board in the discharge of its responsibilities relating to accounting principles, reporting practices and internal controls and its approval of Midas Gold's annual and quarterly consolidated financial statements;
 - (c) as further set forth below, to oversee the relationship between the Corporation and external auditors, to establish and maintain a direct line of communication with the external auditors and to assess their performance;
 - (d) to oversee that management has designed, implemented and is maintaining an effective system of internal financial controls;
 - (e) to oversee that the management has established and effective risk management controls; and
 - (f) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) the Committee, in its capacity as a committee of the Board and subject to the rights of holders of the Corporation's common shares and applicable law, is directly responsible for the overseeing the relationship of the external auditors with the Corporation, including the appointment, termination, compensation, retention and oversight of the work of the external auditors engaged by the Corporation (including resolution of disagreements or disputes between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
 - (b) the Committee shall meet with the external auditors at least once per year, prior to commencement of the audit, to discuss planning and staffing of the audit;

- (c) on an annual basis, review and discuss with the external auditors all relationships such auditors have with the Corporation and its affiliates in order to determine the auditors' independence, including without limitation:
 - (i) requesting, receiving and reviewing, on a periodic basis but at least annually, a formal written statement, consistent with applicable accounting standards, from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Corporation;
 - (ii) discussing with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors; and
 - (iii) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors and to take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence;
- (d) to review and approve the fee, scope and timing of the audit services rendered by the external auditors as well as the final billings for such work;
- (e) review and discuss a report from the external auditors periodically but not less than annually:
 - (i) all critical accounting policies and practices to be used;
 - (ii) all alternative treatments of financial information within applicable generally accepted accounting principles that have been discussed with Management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
 - (iii) other material written communications between the external auditors and Management, such as any management letter or schedule of unadjusted differences;
- (f) review and pre-approve, subject to any *de minimis* except available under applicable laws, all audit and permitted non-audit services, including the terms thereof and the fees related thereto, to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may establish detailed policies and procedures for pre-approval of the provision of audit services and permitted non-audit services by the external auditors. To the extent permitted by applicable laws, the Committee may delegate to one or more independent members of the Committee the authority to pre-approve such audit and non-audit services, provided that such delegation (i) must be detailed as to the particular service to be provided, (ii) may not delegate Committee responsibilities to management of the Corporation, (iii) the applicable member(s) must report to the Committee at the next scheduled meeting such pre-approval, and (iv) such member(s) comply with such other procedures as may be established by the Committee from time to time;
- (g) discuss with the external auditors any audit problems or difficulties, including any difficulties encountered in the course of the audit work, restrictions on the scope of the

external auditor's activities or on access to requested information, any significant disagreements with management, and management's response;

- (h) review with the external auditors the disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process. In particular, the Committee shall review with the Chief Executive Officer, Chief Financial Officer and external auditors: (i) all significant deficiencies and material weaknesses in the design or operation of the Corporation's internal control over financial reporting that could adversely affect the Corporation's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under the United States Securities Exchange Act of 1934, as amended, within the required time periods, and (ii) any fraud, whether or not material, that involves management of Midas Gold or other employees who have a significant role in the Corporation's internal control over financial reporting;
- (i) annually obtain assurance from the external auditors that disclosure to the Committee is not required pursuant to the provisions of the United States Securities Exchange Act of 1934, as amended, regarding the discovery by the external auditors of any illegal acts;
- (j) if applicable, review with external auditors (and internal auditor if one is appointed by the Corporation) their assessment of the internal controls of the Corporation, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries;
- (k) review and approve the Corporation's hiring of partners, employees (both current and former) of the present external auditors of the Corporation;
- (l) ensure the rotation of partners on the audit engagement team of the external auditors in accordance with applicable law;
- (m) to review matters related to the audit with the external auditors, upon completion of their audit, including the following:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) co-operation received from Midas Gold's personnel during the audit
 - (iv) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (v) the non-audit services provided by the external auditors;
- (n) to discuss with the external auditors the quality and the acceptability of the Corporation's accounting principles; and
- (o) to implement procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3. The Committee is also charged with the responsibility to:
- (a) review and, if warranted, recommend approval to the board of quarterly and annual public financial documents, including the consolidated financial statements and MD&A;
 - (b) review and recommend approval to the Board of the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) prospectuses;
 - (iv) annual and interim press releases and other press releases disclosing earnings or financial results, if applicable; and
 - (v) other public financial reports requiring approval by the Board.
 - (c) oversee that management has designed suitable internal control over financial reporting ("**ICFR**") each quarter and that as of the year end date that management has undertaken suitable testing to be able to assess the operating effectiveness of its ICFR. To verify that there is appropriate disclosure in the MD&A and in any filings required to be made under applicable United States securities laws.
 - (d) oversee that management has designed suitable disclosure controls and procedures ("**DC&P**") each quarter and adequately assessed their effectiveness each year to verify that management has systems in place so that material information is filed with regulatory authorities or otherwise disclosed to the public in an accurate and timely manner. To verify that there is appropriate disclosure in the MD&A and in any filings required to be made under applicable United States securities laws.
 - (e) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (f) review the compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts;
 - (g) review financial risk management policies and procedures of the Corporation (i.e., hedging, foreign exchange, internal controls, cash and short term investments);
 - (h) review annually, with management, the Corporations insurance coverage, including policies, limits deductibles and any risks that are self-insured;
 - (i) establish suitable procedures for:
 - (i) the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees and third parties of concerns regarding questionable accounting or auditing matters; and

- (j) review the adequacy of the Audit Committee Mandate and examine the Committee's effectiveness on an annual basis, and propose recommended changes to the Board.

Composition of the Audit Committee

The following individuals are the members of the Audit Committee:

Donald Young	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Michael Richings	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Wayne Hubert	Independent ⁽¹⁾	Financially literate ⁽¹⁾

(1) As defined by National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Audit Committee Member Education and Experience

Donald Young, a chartered accountant and the Chairman of the Committee, was an audit partner for twenty six years with KPMG LLP, an accounting firm, until his retirement in 2005. He currently serves as Chair of the audit committees of Dundee Precious Metals Inc. and Wildcat Silver Corporation. In the past, he has served as the chair of audit committees for other publicly held and not-for-profit organizations.

Michael Richings currently serves as non-executive Chairman of Vista Gold Corp. and was CEO of Vista from 1995 to 2000 and again from 2004 until January 2012 and has been responsible for and supervised the preparation and review of a public company's financial statements and reports during this period. He served on the audit committees of Triumph Gold Corp. from January 2004 to November 2006 and Zaruma Resources from November 2005 to June 2009.

Wayne Hubert, BSc Chemical Engineering, University of Cape Town, South Africa 1980-85, MBA, Brigham Young University, USA 1988-90, was CEO of Andean Resources from 2006 to 2010 and was responsible for and supervised the preparation and review of Andean Resources' financial statements and reports during this period.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

All non-audit services must be pre-approved by the Committee, or if a request is made between Committee meetings, the Committee Chair may pre-approve a request for non-audit services but the Chair must advise other Committee members of such pre-approval no later than the next regularly scheduled Committee meeting. In no event can the external auditor undertake non-audit services prohibited by legislation or professional standards.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditor, Deloitte LLP, Chartered Accountants, in

the year ended December 31, 2013 and December 31, 2012 for audit service fees were as follows:

<i>Fiscal Period Ended</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
December 31, 2013	\$89,550	\$18,700	Nil	Nil
December 31, 2012	\$97,040	\$23,900	Nil	Nil

Audit Fees relate to the audit of the Corporation's annual Financial Statements and the review of the Corporation's interim Financial Statements.

Audit Related Fees relate to services performed by the auditor in their review of documents that include or refer to their independent auditor's report.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors, executive officers and principal shareholders of the Corporation or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Corporation has participated within the three most recently completed financial periods prior to the date of this AIF or in the current financial year, and do not have any material interest in any proposed transaction, which has materially affected or is reasonably expected to materially affect the Corporation, except as set out elsewhere in this AIF and immediately below.

Certain directors and/or officers of the Corporation have subscribed for common shares of the Corporation pursuant to the public and private placement financings of the Corporation. In addition, certain directors and/or officers of the Corporation have been granted stock options under the Corporation's Stock Option Plan.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the common shares of the Corporation is Computershare Investor Services Inc. at its principal office located at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation since its incorporation:

1. Combination Agreement dated as of February 22, 2011 among Vista US, Idaho Gold, MGI and the Corporation;
2. Option agreement dated May 3, 2011 between MGI Acquisition Corporation and JJO, LLC;
3. Agency Agreement dated as of June 30, 2011 among the agents and the Corporation;
4. Underwriting Agreement dated as of February 14, 2012 among the underwriters and the Corporation;
5. Royalty agreement with Franco-Nevada dated as of May 9, 2013; and
6. Share subscription agreement with Teck dated July 7, 2013.

See "Three-year History and Significant Acquisitions of the Corporation and its Subsidiaries" for further details on each of the material contracts.

Copies of all material contracts are available on SEDAR at www.sedar.com under the Corporation's profile.

INTERESTS OF EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to a statement made by the person or company are named in the AIF as having prepared or certified a part of that document or a report of valuation described in the AIF:

1. Kevin Scott, P.Eng., David Rowe, C.P.G., John Duncan, P.Eng., Chris Martin, C.Eng., Gordon Doerksen, P.Eng., Dino Pilotto, P.Eng., Maritz Rykaart, P.Eng., Bruce Murphy, FSIAMM, independent and "qualified persons" as defined in NI 43-101, are the authors responsible for the preparation of the PEA Technical Report;
2. The audited financial statements of the Corporation for the years ended December 31, 2012 and 2011 have been subject to audit by Deloitte LLP, Chartered Accountants; and

Interests of Experts

Based on information provided by the relevant persons in item 1 above, to the knowledge of the Corporation none of such persons has held, or received or will receive, any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or of one of the Corporation's associates or affiliates (based on information provided to the Corporation by such experts) or is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

Deloitte LLP, Chartered Accountants, as auditor of the Corporation, has confirmed they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com, as well as at the Corporation's web site at www.midasgoldcorp.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, is contained in the Corporation's information circular for its most recent annual general meeting of security holders that involved the election of directors.

Additional financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial year, being the year ended December 31, 2013.