



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013**
(Unaudited, expressed in US Dollars)

Midas Gold Corp.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

Unaudited, expressed in US dollars

| | <u>Notes</u> | <u>March 31, 2014</u> | <u>December 31, 2013</u> |
|-------------------------------------|--------------|------------------------------|------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | \$ 21,682,436 | \$ 14,589,264 |
| Trade and other receivables | | 12,712 | 10,016 |
| Prepaid expenses | | 126,096 | 142,833 |
| | | <u>\$ 21,821,244</u> | <u>\$ 14,742,113</u> |
| NON-CURRENT ASSETS | | | |
| Buildings and equipment | | \$ 3,944,227 | \$ 4,218,807 |
| Exploration and evaluation assets | 4 | 185,856,615 | 182,436,154 |
| Reclamation bond | | 18,000 | 18,000 |
| | | <u>\$ 189,818,842</u> | <u>\$ 186,672,961</u> |
| TOTAL ASSETS | | <u><u>\$ 211,640,086</u></u> | <u><u>\$ 201,415,074</u></u> |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | \$ 1,861,607 | \$ 2,240,643 |
| Current portion of note payable | | 193,214 | 191,819 |
| | | <u>\$ 2,054,821</u> | <u>\$ 2,432,462</u> |
| NON-CURRENT LIABILITIES | | | |
| Long-term portion of note payable | | \$ 189,482 | \$ 190,877 |
| Warrant derivative | 5 | 2,390,014 | 728,000 |
| TOTAL LIABILITIES | | <u>\$ 4,634,317</u> | <u>\$ 3,351,339</u> |
| EQUITY | | | |
| Share capital | 6 | \$ 212,649,668 | \$ 203,134,630 |
| Equity reserve | 6 | 20,549,952 | 20,192,839 |
| Deficit | | (26,193,851) | (25,263,734) |
| TOTAL EQUITY | | <u>\$ 207,005,769</u> | <u>\$ 198,063,735</u> |
| TOTAL LIABILITIES AND EQUITY | | <u><u>\$ 211,640,086</u></u> | <u><u>\$ 201,415,074</u></u> |

Commitments - Notes 4 and 10

Midas Gold Corp.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**

Unaudited, expressed in US dollars

| | Three Months Ended | |
|---|--------------------|---------------------|
| | March 31, 2014 | March 31, 2013 |
| EXPENSES | | |
| Consulting | \$ - | \$ 25,279 |
| Directors' fees | 56,483 | 61,959 |
| Office and administrative | 73,502 | 79,068 |
| Professional fees | 50,530 | 57,228 |
| Salaries and benefits | 219,317 | 228,054 |
| Share based compensation | 146,466 | 629,905 |
| Shareholder and regulatory | 123,083 | 139,307 |
| Travel and related costs | 29,684 | 55,160 |
| OPERATING LOSS | \$ 699,065 | \$ 1,275,960 |
| OTHER EXPENSES (INCOME) | | |
| Change in fair value of warrant derivative | \$ 118,573 | \$ - |
| Foreign exchange loss | 128,199 | 94,423 |
| Interest income | (15,720) | (15,266) |
| Total other expenses | \$ 231,052 | \$ 79,157 |
| NET LOSS AND COMPREHENSIVE LOSS | \$ 930,117 | \$ 1,355,117 |
| NET LOSS PER SHARE, BASIC AND DILUTED | \$ 0.01 | \$ 0.01 |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED | 131,764,000 | 114,794,000 |

Midas Gold Corp.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

Unaudited, expressed in US dollars except for number of shares

| | Note | Issued Capital | | Equity Reserve | Deficit | Total |
|--|------|--------------------|--------------------|-------------------|---------------------|--------------------|
| | | Shares | Amount | | | |
| BALANCE, December 31, 2012 | | 114,794,136 | \$ 193,860,089 | \$ 17,941,573 | \$ (21,468,168) | \$ 190,333,494 |
| Share based compensation | 6 | - | - | 993,510 | - | 993,510 |
| Net loss and comprehensive loss for the period | | - | - | - | (1,355,117) | (1,355,117) |
| BALANCE, March 31, 2013 | | <u>114,794,136</u> | <u>193,860,089</u> | <u>18,935,083</u> | <u>(22,823,285)</u> | <u>189,971,887</u> |

| | Note | Issued Capital | | Equity Reserve | Deficit | Total |
|--|------|--------------------|--------------------|-------------------|---------------------|--------------------|
| | | Shares | Amount | | | |
| BALANCE, December 31, 2013 | | 127,534,136 | \$ 203,134,630 | \$ 20,192,839 | \$ (25,263,734) | \$ 198,063,735 |
| Share based compensation | 6 | - | - | 358,325 | - | 358,325 |
| Shares issued in private placement | 6 | 14,167,621 | 9,511,665 | - | - | 9,511,665 |
| Exercise of options | | 3,333 | 3,373 | (1,212) | - | 2,161 |
| Net loss and comprehensive loss for the period | | - | - | - | (930,117) | (930,117) |
| BALANCE, March 31, 2014 | | <u>141,705,090</u> | <u>212,649,668</u> | <u>20,549,952</u> | <u>(26,193,851)</u> | <u>207,005,769</u> |

Midas Gold Corp.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

Unaudited, expressed in US dollars

| | Three Months Ended | |
|--|-----------------------------|----------------------------|
| | March 31, 2014 | March 31, 2013 |
| OPERATING ACTIVITIES: | | |
| Net loss | \$ (930,117) | \$ (1,355,117) |
| Items not affecting cash: | | |
| Share based compensation | 146,466 | 629,905 |
| Change in fair value of warrant derivative | 118,573 | - |
| Depreciation | 7,995 | 8,746 |
| Unrealised foreign exchange loss | 151,708 | 49,126 |
| Interest income | (15,720) | (15,266) |
| Changes in: | | |
| Trade and other receivables | (2,696) | 15,274 |
| Prepaid expenses | 16,737 | 61,468 |
| Trade and other payables | 352,307 | (164,667) |
| Net cash used in operating activities | <u>\$ (154,747)</u> | <u>\$ (770,531)</u> |
| INVESTING ACTIVITIES: | | |
| Exploration and evaluation assets | (3,551,558) | (7,729,510) |
| Buildings and equipment | (104,830) | (1,186,801) |
| Interest received | 15,720 | 15,266 |
| Net cash used in investing activities | <u>\$ (3,640,668)</u> | <u>\$ (8,901,045)</u> |
| FINANCING ACTIVITIES: | | |
| Proceeds from issuance of common shares and warrants | \$ 11,477,165 | \$ - |
| Share issue costs | (419,898) | - |
| Interest paid | (16,972) | - |
| Net cash provided by financing activities | <u>\$ 11,040,295</u> | <u>\$ -</u> |
| Effect of foreign exchange on cash | (151,708) | (49,126) |
| Net increase (decrease) in cash and cash equivalents | <u>7,093,172</u> | <u>(9,720,702)</u> |
| Cash and cash equivalents, beginning of period | 14,589,264 | 19,618,855 |
| Cash and cash equivalents, end of period | <u><u>\$ 21,682,436</u></u> | <u><u>\$ 9,898,153</u></u> |
| Cash | \$ 7,742,688 | \$ 1,426,936 |
| Investment Savings | 13,939,748 | 8,471,217 |
| Total cash and cash equivalents | <u><u>\$ 21,682,436</u></u> | <u><u>\$ 9,898,153</u></u> |

Supplemental cash flow information - Note 9

Midas Gold Corp.
Notes to Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2014 and 2013
Unaudited, expressed in US dollars

1. Nature of Operations

Midas Gold Corp. (“the Corporation” or “Midas Gold”) was incorporated on February 22, 2011 under the Business Corporations Act of British Columbia. The Corporation was organized to locate, acquire and develop mineral properties located principally in the Stibnite – Yellow Pine mining district in Valley County, Idaho. The Corporation currently operates in one segment, mineral exploration in the United States. The Corporation’s common shares commenced trading on the Toronto Stock Exchange on July 14, 2011 after closing an initial public offering under a prospectus dated June 30, 2011. The corporate office of Midas Gold is located at 1250-999 West Hastings St, Vancouver, BC, V6C 2W2, Canada.

2. Basis of Preparation

a. Statement of Compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting (“IAS 34”), using accounting policies that are consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

b. Basis of Presentation

These condensed consolidated interim financial statements have been prepared on the historic cost basis except for certain financial instruments, which are measured at fair value.

The preparation of these condensed consolidated interim financial statements is based on the accounting policies consistent with those applied to the consolidated financial statements of Midas Gold for the year ended December 31, 2013.

These condensed consolidated interim financial statements do not include all of the information required for full financial statements and should be read in conjunction with the consolidated financial statements of Midas Gold for the year ended December 31, 2013, which are available at the Corporation’s website www.midasgoldcorp.com as well as under its profile on SEDAR at www.sedar.com.

These condensed consolidated interim financial statements for the three month periods ended March 31, 2014 and 2013 were approved and authorized for issue by the board of directors on May 14, 2014.

Midas Gold Corp.
Notes to Condensed Consolidated Interim Financial Statements
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3. Accounting Standards Issued but not yet Effective

Certain pronouncements were issued by the International Accounting Standards Board (“IASB”) or the IFRS Interpretations Committee that are effective for annual periods beginning on or after January 1, 2015. The Corporation does not expect the below standard to have a material impact on the financial statements, although additional disclosures may be required.

- (i) IFRS 9 - New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets and financial liabilities.

Effective January 1, 2014, the Corporation adopted the below standards and there was no material impact on the consolidated financial statements:

- (i) IFRIC 21 - is an interpretation on IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, with respect to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligating event is the activity described in the relevant legislation that triggers the payment of the levy;
- (ii) IAS 36 - The IASB published amendments to the disclosures required by IAS 36, when the recoverable amount is determined based on fair value less costs of disposal; and
- (iii) IAS 32 – The IASB published amendments to IAS 32 to provide clarifications on the requirements for offsetting financial assets and financial liabilities to the balance sheet.

Midas Gold Corp.
Notes to Condensed Consolidated Interim Financial Statements
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Unaudited, expressed in US dollars

4. Exploration and Evaluation Assets

At March 31, 2014 and December 31, 2013, the Corporation's exploration and evaluation assets at the Golden Meadows Project were as follows:

| | As at December 31, 2013 | Additions | As at March 31, 2014 |
|--|-------------------------------|------------------|----------------------------|
| Acquisition Costs | | | |
| Interest on notes payable | \$ 105,954 | \$ 2,831 | \$ 108,785 |
| Mineral claims | 81,593,436 | - | 81,593,436 |
| Royalty interest | 1,026,750 | - | 1,026,750 |
| Sale of royalty interest | (13,548,460) | - | (13,548,460) |
| Exploration and Evaluation Expenditures | | | |
| Consulting and labour cost | 26,368,269 | 1,097,469 | 27,465,738 |
| Drilling | 37,481,570 | - | 37,481,570 |
| Field office and drilling support | 25,998,441 | 700,596 | 26,699,037 |
| Engineering | 8,695,508 | 929,961 | 9,625,469 |
| Environmental and sustainability | 9,810,353 | 723,472 | 10,533,825 |
| Geochemistry and geophysics | 4,681,092 | (9,167) | 4,671,925 |
| Prepaid exploration and evaluation | 223,241 | (24,701) | 198,540 |
| Balance | \$ 182,436,154 | 3,420,461 | \$ 185,856,615 |

| | As at December 31, 2012 | Additions | As at December 31, 2013 |
|--|-------------------------------|----------------------|-------------------------------|
| Acquisition Costs | | | |
| Interest on notes payable | \$ 92,187 | \$ 13,767 | \$ 105,954 |
| Mineral claims | 81,298,976 | 294,460 | 81,593,436 |
| Royalty interest | 1,026,750 | - | 1,026,750 |
| Sale of royalty interest | - | (13,548,460) | (13,548,460) |
| Exploration and Evaluation Expenditures | | | |
| Consulting and labour cost | 19,727,095 | 6,641,174 | 26,368,269 |
| Drilling | 32,341,086 | 5,140,484 | 37,481,570 |
| Field office and drilling support | 19,871,896 | 6,126,545 | 25,998,441 |
| Engineering | 5,623,972 | 3,071,536 | 8,695,508 |
| Environmental and sustainability | 6,306,600 | 3,503,753 | 9,810,353 |
| Geochemistry and geophysics | 4,149,460 | 531,632 | 4,681,092 |
| Prepaid exploration and evaluation | 340,500 | (117,259) | 223,241 |
| Balance | \$ 170,778,522 | \$ 11,657,632 | \$ 182,436,154 |

4. Exploration and Evaluation Assets (continued)

Summary

The Corporation acquired title to the Golden Meadows Project through several transactions. All title is held at 100% through patented and unpatented mineral claims, except the Cinnabar claims which are held under an option to purchase agreement, and all of the Golden Meadows Project is subject to the Franco-Nevada royalty described below. 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 dated November 7, 2003. In total the Corporation paid \$1,000,000.

The Cinnabar claims are subject to an option agreement 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 own 100% of the Cinnabar claim group. As at March 31, 2014, four payments of \$100,000 remain outstanding and \$350,000 has been paid to date. At completion of the option agreement the Corporation would have paid \$750,000.

Title

Although the Corporation has taken steps to verify title to the properties in which it has an interest and, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

Sale of Royalty Interest

On May 9, 2013, Midas Gold entered into an agreement with Franco-Nevada Corporation ("Franco-Nevada") whereby for gross proceeds of \$15,000,000 Franco-Nevada was granted a perpetual 1.7% net smelter returns royalty on any future gold production from the Golden Meadows Property and 2,000,000 share purchase warrants that are exercisable into 2,000,000 common shares of Midas Gold. The royalty is collateralized by a mortgage over the claims that are subject to the royalty. The warrants have an exercise price of C\$1.23 and expire in ten years. Midas Gold has a one-time right to repurchase one third of the royalty for \$9,000,000 before May 9, 2016. The Corporation incurred costs of \$565,540 associated with this transaction.

A value of \$886,000 was assigned to the warrants at the date of the transaction and has been recorded as a warrant derivative (Note 5). After determining the value of the warrants, the residual proceeds of \$13,548,460, net of transaction costs, have been offset against exploration and evaluation assets.

5. Warrant Derivative

The exercise price of the certain warrants and finder's options are denominated in Canadian dollars, however the functional currency of the Corporation is the US Dollar. As a result of this difference in currencies, the proceeds that will be received by the Corporation are not fixed and will vary based on foreign exchange rates. Warrants and finder's options with an exercise price denominated in a currency that is different from the entity's functional currency are a derivative and are required to be recognized and measured at fair value at each reporting period. Any changes in fair value from period to period are recorded as a non-cash gain or loss in the statement of net loss and comprehensive loss.

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5. Warrant Derivative (continued)

On May 9, 2013, the Corporation issued 2,000,000 share purchase warrants to Franco-Nevada (Note 4). The warrants are exercisable into 2,000,000 common shares of the Corporation at C\$1.23 per warrant. The warrants contain a mandatory conversion feature which requires Franco-Nevada to exercise 100% of the outstanding warrants if, at any time, the volume weighted average trading price of Midas Gold's common shares is equal to or greater than C\$3.23 for a period of 30 consecutive trading days. The warrants expire on May 9, 2023.

In March 2014, the Corporation issued 7,083,810 share purchase warrants as part of a private placement of units (Note 6). Each share purchase warrant entitles the holder to purchase one common share of the Corporation at a price of C\$1.20 for a period of two years. The warrants are considered to be a derivative and are required to be recognized and measured at fair value at each reporting period.

In March 2014, the Corporation issued 410,750 finder's options ("Finder's Options") as a part of a private placement of units ("Unit") (Note 6). Each Unit consists of one common share in the capital of the Corporation (a "Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share of the Corporation at a price per Warrant Share of C\$1.20 for a period of two years. Each Finder's Option entitles the holder to acquire one Unit of the Corporation at a price of C\$0.99 for a period of two years. The Finder's Options are considered to be a derivative and are required to be recognized and measured at fair value at each reporting period.

Upon exercise of the warrants or Finder's Options, the warrant or Finder's Option holders will pay the Corporation the respective exercise price for each warrant or Finder's Option exercised in exchange for one common share or one Unit of Midas Gold. Any warrants or Finder's Options exercised will be measured at fair value at the date of exercise and the associated non-cash liability will be reclassified to share capital. The non-cash liability associated with any warrants or Finder's Options that expire unexercised will be recorded as a gain in the statement of net loss and comprehensive loss. There are no circumstances under which the Corporation would be required to pay any cash upon exercise or expiry of the warrants or Finder's Options.

A reconciliation of the change in fair value of the warrant derivative is below:

| | Warrant Derivative |
|--|---------------------------|
| Balance, December 31, 2013 | \$ 728,000 |
| Value of warrants issued | 1,411,562 |
| Value of finder's options issued | 131,879 |
| Change in fair value of warrant derivative | 118,573 |
| Balance, March 31, 2014 | \$ 2,390,014 |

The fair value of the warrants and Finder's Options were calculated using a Black-Scholes valuation model. The weighted average assumptions used by the Black-Scholes valuation model are:

| | March 31, 2014 | December 31, 2013 |
|---------------------------------|---------------------------|------------------------------|
| Fair value warrants granted | \$0.28 | \$0.39 |
| Risk-free interest rate | 1.4% | 2.8% |
| Expected term (in years) | 3.0 | 7.4 |
| Expected share price volatility | 64.0% | 64.0% |

Midas Gold Corp.
Notes to Condensed Consolidated Interim Financial Statements
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6. Share Capital

a. Authorized

Unlimited number of common shares without par value.
Unlimited number of first preferred shares without par value.
Unlimited number of second preferred shares without par value.

b. Issued during the three months ended March 31, 2014

(i) Shares Issued for Cash

On March 4, 2014, the Corporation closed the first tranche of a non-brokered private placement for 13,177,621 Units at a price of C\$0.90 per unit, for gross proceeds of C\$11.9 million (\$10.7 million). Each Unit consists of a share in the capital of the Corporation and one-half of one common share purchase Warrant. Each Warrant entitles the holder to acquire one additional common share of the Corporation at a price per Warrant Share of C\$1.20 until March 4, 2016. The net proceeds of C\$11.3 million (\$10.2 million) were distributed between the common shares, C\$9.8 million (\$8.9 million), and warrants, C\$1.4 million (\$1.3 million), based on their relative fair values.

In consideration for arranging a portion of the first tranche of the private placement, the Corporation paid finder's fees to certain arm's length parties consisting of: (i) cash commission in the aggregate amount of \$334,125; and (ii) a total of 371,250 Finder's Options. Each Finder's Option entitles the holder to acquire one Unit at a price per Unit of C\$0.99 until March 4, 2016.

On March 7, 2014, the Corporation closed the second tranche a non-brokered private placement for 990,000 Units at a price of C\$0.90 per unit, for gross proceeds of C\$0.89 million (\$0.80 million). Each Unit consists of one Share and one-half of one Warrant. Each Warrant entitles the holder to acquire one additional common share of the Corporation at a price per Warrant Share of C\$1.20 until March 7, 2016. The net proceeds of C\$0.83 million (\$0.75 million) were distributed between the common shares, C\$0.72 million (\$0.65 million), and warrants, C\$0.11 million (\$0.10 million), based on their relative fair values.

In consideration for arranging a portion of the second tranche of the private placement, the Corporation paid finder's fees to certain arm's length parties consisting of: (i) cash commission in the aggregate amount of \$35,550; and (ii) a total of 39,500 Finder's Options. Each Finder's Option entitles the holder to acquire one Unit at a price per Unit of C\$0.99 until March 7, 2016.

c. Share purchase options

Under the terms of the Corporation's Stock Option Plan, the maximum number of shares reserved for issuance under the Plan is 10% of the issued shares on a rolling basis. Options may be exercisable over periods of up to five years as determined by the Board of Directors of the Corporation and the exercise price shall not be less than the closing price of the shares on the day preceding the award date, subject to regulatory approval. All stock options granted are subject to vesting, with one third vesting upon issuance and one third vesting on each anniversary from the date of grant.

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Unaudited, expressed in US dollars

6. Share Capital (continued)

c. Share purchase options (continued)

A summary of share purchase option activity within the Corporation's share based compensation plan for the year ended December 31, 2013 and the three months ended March 31, 2014 is as follows:

| | Number of Options | Weighted Average Exercise Price (C\$) |
|----------------------------|------------------------------|--|
| Balance, December 31, 2012 | 9,510,000 | \$ 2.85 |
| Options granted | 1,090,000 | 0.79 |
| Options forfeited | (505,000) | 2.92 |
| Balance, December 31, 2013 | 10,095,000 | \$ 2.62 |
| Options granted | 1,352,000 | 0.72 |
| Options exercised | (3,333) | 0.71 |
| Balance, March 31, 2014 | 11,443,667 | \$ 2.40 |

During the three months ended March 31, 2014, the Corporation allocated \$211,860 (2013 - \$363,605) to exploration and evaluation assets and \$146,466 (2013 - \$629,905) to share based compensation expense on the vesting of share purchase options and warrants.

The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model, using the following weighted average assumptions:

| | Three Months Ended | |
|--|---------------------------|--|
| | March 31, 2014 | March 31, 2013 ⁽²⁾ |
| Fair value options granted | \$0.38 | - |
| Risk-free interest rate | 1.43% | - |
| Expected term (in years) | 5.0 | - |
| Expected share price volatility ⁽¹⁾ | 62% | - |
| Expected dividend yield | - | - |
| Expected forfeiture | 5% | - |

⁽¹⁾ Volatility was based on the historical volatility of the Corporation's publicly traded shares.

⁽²⁾ No options were granted in the period.

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6. Share Capital (continued)

c. Share purchase options (continued)

An analysis of outstanding share purchase options as at March 31, 2014 is as follows:

| Weighted Average Exercise Price (C\$) | Options Outstanding | | Options Exercisable | | Expiry Date |
|---|---------------------|--|---------------------|--|--------------|
| | Number | Remaining Contractual Life (Years) | Number | Remaining Contractual Life (Years) | |
| \$ 2.50 | 6,210,000 | 2.1 | 6,210,000 | 2.1 | Apr-18-2016 |
| 3.25 | 910,000 | 2.2 | 910,000 | 2.2 | Jun-06-2016 |
| 3.76 | 450,000 | 2.5 | 450,000 | 2.5 | Sep-26-2016 |
| 4.10 | 350,000 | 2.7 | 350,000 | 2.7 | Dec-7-2016 |
| 3.95 | 450,000 | 2.8 | 450,000 | 2.8 | Jan-4-2017 |
| 3.50 | 170,000 | 3.0 | 170,000 | 3.0 | Mar-30-2017 |
| 3.10 | 250,000 | 3.4 | 166,667 | 3.4 | Sep-7-2017 |
| 3.10 | 285,000 | 3.5 | 190,000 | 3.5 | Oct-9-2017 |
| 0.71 | 516,667 | 4.1 | 170,000 | 4.1 | May-22-2018 |
| 0.89 | 500,000 | 4.3 | 166,667 | 4.3 | July-31-2018 |
| 0.72 | 1,344,000 | 4.8 | 448,000 | 4.8 | Jan-8-2019 |
| 0.95 | 8,000 | 4.8 | 2,667 | 4.8 | Feb-3-2019 |
| \$ 2.40 | 11,443,667 | 2.7 | 9,684,001 | 2.4 | |

A summary of Finder's Options activity for the three months ended March 31, 2014:

| | Number of Finder's Options | Weighted Average Exercise Price (C\$) |
|----------------------------|-------------------------------|---|
| Balance, December 31, 2013 | - | \$ - |
| Options granted | 410,750 | 0.99 |
| Balance, March 31, 2014 | 410,750 | \$ 0.99 |

An analysis of outstanding Finder's Options as at March 31, 2014 is as follows:

| Weighted Average Exercise Price (C\$) | Outstanding and Exercisable | Remaining Contractual Life (Years) | Expiry Date |
|--|--------------------------------|--|-------------|
| \$ 0.99 | 371,250 | 1.9 | Mar-4-2016 |
| 0.99 | 39,500 | 1.9 | Mar-7-2016 |
| \$ 0.99 | 410,750 | 1.9 | |

Midas Gold Corp.
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6. Share Capital (continued)

d. Warrants

A summary of warrant activity for the year ended December 31, 2013 and the three months ended March 31, 2014:

| | Number of Warrants | Weighted Average Exercise Price (C\$) |
|----------------------------|-----------------------|---|
| Balance, December 31, 2012 | 1,333,334 | \$ 0.48 |
| Warrants granted | 2,000,000 | 1.23 |
| Balance, December 31, 2013 | 3,333,334 | \$ 0.93 |
| Warrants granted | 7,083,810 | 1.20 |
| Balance, March 31, 2014 | 10,417,144 | \$ 1.11 |

An analysis of outstanding share purchase warrants as at March 31, 2014 is as follows:

| Weighted Average Exercise Price (C\$) | Warrants Outstanding and Exercisable | Remaining Contractual Life (Years) | Expiry Date |
|--|--|--|-------------|
| \$ 0.48 | 1,333,334 | 1.9 | Feb-14-2016 |
| 1.20 | 6,588,810 | 1.9 | Mar-4-2016 |
| 1.20 | 495,000 | 1.9 | Mar-7-2016 |
| 1.23 | 2,000,000 | 9.1 | May-9-2023 |
| \$ 1.13 | 10,417,144 | 3.3 | |

7. Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables, notes payable, accrued interest payable and warrant derivative. Cash and cash equivalents and trade and other receivables are designated as loans and receivables, which are measured at amortized cost. The trade and other payables, notes payable and accrued interest payable are designated as other financial liabilities, which are measured at amortized cost. The warrant derivative is designated at fair value through profit and loss. The cash and cash equivalents, trade and other receivables, trade and other payables and accrued interest payable approximate their fair value due to their short-term nature.

The Corporation classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

The three levels of the fair value hierarchy are:

Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The warrant derivative is classified at level 2.

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8. Segmented Information

The Corporation operates in one segment, being the exploration, evaluation and potential development of the Golden Meadows Project. Details on a geographic basis are as follows:

| | <u>March 31, 2014</u> | <u>December 31, 2013</u> |
|---------------------------------------|---------------------------|------------------------------|
| Assets by geographic segment, at cost | | |
| Canada | | |
| Current assets | \$ 21,609,576 | \$ 14,514,112 |
| Non-current assets | 42,403 | 50,398 |
| | <u>21,651,979</u> | <u>14,564,510</u> |
| United States | | |
| Current assets | 211,668 | 228,001 |
| Non-current assets | 189,776,439 | 186,622,563 |
| | <u>189,988,107</u> | <u>186,850,564</u> |
| | <u>\$ 211,640,086</u> | <u>\$ 201,415,074</u> |

9. Supplemental Cash flow Information

| | <u>Three Months Ended</u> | |
|--|---------------------------|-----------------------|
| <u>Non-cash financing and investing activities</u> | <u>March 31, 2014</u> | <u>March 31, 2013</u> |
| Share based compensation included in exploration and evaluation assets | \$ 211,860 | \$ 363,605 |
| Depreciation capitalized in exploration and evaluation assets | \$ 346,657 | \$ 331,860 |
| Transfer of equity reserve upon exercise of options | \$ 1,212 | \$ - |

The Corporation maintains the majority of its cash in US dollars as this is the currency the majority of expenditures are expected to be made in. Cash and cash equivalents are comprised of the following:

| | <u>March 31, 2014</u> | <u>December 31, 2013</u> |
|--|-----------------------|--------------------------|
| Cash and cash equivalents – Held in Canadian dollars | \$ 9,282,512 | \$ 5,576,038 |
| Cash and cash equivalents – Held in US dollars | 12,399,924 | 9,013,226 |
| | <u>\$ 21,682,436</u> | <u>\$ 14,589,264</u> |

10. Commitments

a. Office Rent

The Corporation entered into a various lease agreements for office space. The total rent obligation over the next five years is as follows:

| | <u>March 31, 2014</u> | | |
|-------------------------|----------------------------|--|--------------|
| | <u>Within one year</u> | <u>After one year but not more than five years</u> | <u>Total</u> |
| Minimum rental payments | 263,483 | 313,738 | 577,221 |

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10. Commitments (continued)

b. Mining Claim Assessments

The Corporation currently holds mining claims on which it has an annual assessment obligation of \$195,000 in order to maintain the claims in good standing. The Corporation is committed to these payments indefinitely.