CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2016

(expressed in US Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Midas Gold Corp. ("the Corporation" or "Midas Gold") for the three months ended March 31, 2017 have been prepared by the management of the Corporation and approved by the Corporation's Audit Committee and the Corporation's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements for the three months ended March 31, 2017.

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
As at March 31, 2017 and December 31, 2016
(Expressed in US dollars)

	Notes	March 31, 2017	December 31, 2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 33,013,364	$ 37,180,354
Trade and other receivables		39,607	23,315
Prepaid expenses		298,768	282,116
		$ 33,351,739	$ 37,485,785
NON-CURRENT ASSETS			
Buildings and equipment		$ 828,503	$ 1,062,602
Exploration and evaluation assets	4	70,482,303	70,482,303
		$ 71,310,806	$ 71,544,905
TOTAL ASSETS		$ 104,662,545	$ 109,030,690
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		$ 755,157	$ 1,272,708
Warrant derivative (i)	5	1,429,086	1,855,065
		$ 2,184,243	$ 3,127,773
NON-CURRENT LIABILITIES			
Convertible notes	6	$ 19,991,247	$ 19,343,758
Convertible note derivative (ii)	7	44,716,839	49,037,836
		$ 64,708,086	$ 68,381,594
TOTAL LIABILITIES		$ 66,892,329	$ 71,509,367
EQUITY			
Share capital	8	$ 225,367,419	$ 225,168,974
Equity reserve	8	22,828,165	22,101,334
Deficit		(210,425,368)	(209,748,985)
TOTAL EQUITY		$ 37,770,216	$ 37,521,323
TOTAL LIABILITIES AND EQUITY		$ 104,662,545	$ 109,030,690

Commitments – Notes 4 and 13

Footnotes:

(i) *The warrant derivative is valued at fair value in accordance with International Financial Reporting Standards ("IFRS"). There are no circumstances in which the Corporation would be required to pay any cash upon exercise or expiry of the warrants or options. See Note 5.*

(ii) *The Convertible Note Derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes. See Note 7.*

Midas Gold Corp.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31, 2017 and 2016

(expressed in US dollars)

	Notes	March 31, 2017	March 31, 2016
EXPENSES			
Consulting		$ 20,909	$ 2,371
Corporate salaries and benefits		170,141	253,315
Depreciation		234,099	283,064
Directors' fees		25,389	32,600
Exploration and evaluation	9	3,299,120	1,493,985
Office and administrative		76,885	105,341
Professional fees		29,802	36,036
Share based compensation	8	740,566	151,113
Shareholder and regulatory		121,879	89,482
Travel and related costs		23,723	21,365
OPERATING LOSS		$ 4,742,513	$ 2,468,672
OTHER (INCOME) EXPENSES			
Change in fair value of warrant derivative (i)	5	$ (421,217)	$ 253,371
Change in fair value of convertible note derivative (ii)	7	(4,720,726)	227,173
Finance costs	10	526,370	613,001
Foreign exchange loss (gain)		625,190	(78,678)
Interest income		(75,747)	(2,152)
Total other (income) loss		$ (4,066,130)	$ 1,012,715
NET LOSS AND COMPREHENSIVE LOSS		$ 676,383	$ 3,481,387
NET LOSS PER SHARE, BASIC AND DILUTED		$ 0.00	$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		180,144,743	163,301,294

Footnotes:

(i) *The warrant derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay any cash upon exercise or expiry of the warrants or options. See Note 5.*

(ii) *The Convertible Note Derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes. See Note 7.*

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the three months ended March 31, 2017 and 2016
(Expressed in US dollars except for number of shares)

		Share Capital				
	Note	Shares	Amount	Equity Reserve	Deficit	Total
BALANCE, January 1, 2016		160,829,280	$ 217,913,718	$ 21,414,405	$ (163,585,931)	$ 75,742,192
Share based compensation	8	-	-	151,113	-	151,113
Shares issued in private placement (net of issuance costs)	8	14,996,887	3,873,411	-	-	3,873,411
Net loss and comprehensive loss for the year		-	-	-	(3,481,387)	(3,481,387)
BALANCE, March 31, 2016		175,826,167	$ 221,787,129	$ 21,565,518	$ (167,067,318)	$ 78,302,948
BALANCE, January 1, 2017		180,002,017	$ 225,168,974	$ 22,101,334	$ (209,748,985)	$ 37,521,323
Share based compensation	8	-	-	740,566	-	740,566
Exercise of options	8	116,250	42,287	(13,735)	-	28,552
Warrants exercised	5	28,500	17,735	-	-	17,735
Conversion of Convertible Notes	6	299,915	138,423			138,423
Net loss and comprehensive loss for the year		-	-	-	(676,383)	(676,383)
BALANCE, March 31, 2017		180,446,682	$ 225,367,419	$ 22,828,165	$ (210,425,368)	$ 37,770,216

See accompanying notes to consolidated financial statements

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2017 and 2016
(Expressed in US dollars)

	Notes	March 31, 2017	March 31, 2016
OPERATING ACTIVITIES:			
Net loss		$ (676,383)	$ (3,481,387)
Adjustments for:			
Share based compensation	8	740,566	151,113
Depreciation		234,099	283,064
Finance Costs	10	-	453,453
Accretion	6,10	526,370	160,281
Loss on disposal of buildings and equipment		-	7,252
Change in fair value of warrant derivative	5	(421,217)	253,371
Change in fair value of convertible note derivative	7	(4,720,726)	227,173
Unrealized foreign exchange loss		638,899	7,117
Interest income		(75,747)	(2,152)
Changes in:			
Trade and other receivables		(1,289)	(17,033)
Prepaid expenses		(16,652)	54,638
Trade and other payables		(517,552)	10,336
Net cash used in operating activities		$ (4,289,632)	$ (1,892,774)
INVESTING ACTIVITIES:			
Investment in exploration and evaluation assets		$ -	$ (15,180)
Sale of buildings and equipment		-	10,140
Interest received		60,746	2,152
Net cash used in investing activities		$ 60,746	$ (2,888)
FINANCING ACTIVITIES:			
Proceeds from issuance of common shares and/or warrants, net of share issue costs	5,8	$ 41,525	$ 3,993,771
Proceeds from issuance of convertible notes	6	-	38,508,431
Payment of transaction costs on issuance of common shares and convertible notes		-	(481,754)
Interest paid on Convertible Notes	6	(18,512)	-
Net cash provided by financing activities		$ 23,013	$ 42,020,448
Effect of foreign exchange on cash and cash equivalents		38,883	1,980
Net increase (decrease) in cash and cash equivalents		(4,166,990)	40,126,766
Cash and cash equivalents, beginning of year		37,180,354	4,502,325
Cash and cash equivalents, end of year		$ 33,013,364	$ 44,629,091
Cash		$ 1,001,474	$ 20,720,120
Investment savings		21,074,037	14,908,136
GIC and term deposits		10,937,853	9,000,835
Total cash and cash equivalents		$ 33,013,364	$ 44,629,091
Supplemental Cash Flows Information			
Interest Received		$ 75,747	2,152

See accompanying notes to consolidated financial statements

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, develop and restore mineral properties located principally in the Stibnite – Yellow Pine mining district in Valley County, Idaho. The Corporation's principal asset is the Stibnite Gold Project ("Stibnite Gold Project" or the "Project"). The Corporation currently operates in one segment, mineral exploration in the United States. The corporate office of Midas Gold is located at 890-999 West Hastings Street, Vancouver, BC, V6C 2W2, Canada.

2. Basis of Preparation

a. <u>Statement of Compliance</u>

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").

b. <u>Basis of Presentation</u>

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, 2016.

These condensed consolidated interim financial statements do not include all 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, 2016.

These condensed consolidated interim financial statements for the three-month periods ended March 31, 2017 and 2016 were approved and authorized for issue by the board of directors on May 11, 2017.

3. Accounting Standards Issued but not yet Effective

i) <u>Financial instruments</u>

IFRS 9 - In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments ("IFRS 9") to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently considering the impact, if any, of the final standard on its future consolidated financial statements.

ii) <u>Leases</u>

IFRS 16 – In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet

(Expressed in US dollars)

3. Accounting Standards Issued but not yet Effective (continued)

accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Corporation is currently considering the impact, if any, of the standard on its future consolidated financial statements.

4. Exploration and Evaluation Assets

At March 31, 2017 and December 31, 2016, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

	December 31, 2016	Additions	March 31, 2017
Acquisition Costs			
Interest on notes payable	$ 116,546	$ -	$ 116,546
Mineral claims	82,887,467	-	82,887,467
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	$ 70,482,303	$ -	$ 70,482,303

At December 31, 2016, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

	December 31, 2015	Additions	December 31, 2016
Acquisition Costs			
Interest on notes payable	$ 116,546	$ -	$ 116,546
Mineral claims	82,291,919	595,548	82,887,467
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	$ 69,886,755	$ 595,548	$ 70,482,303

Summary

The Corporation acquired title to the Stibnite Gold Project through several transactions. All title is held at 100% through patented and unpatented mineral and mill site claims, except the Cinnabar claims which are held under an option to purchase agreement, and all of the Stibnite Gold Project is subject to a 1.7% net smelter returns royalty.

The Cinnabar claims are subject to an option agreement amendment dated December 1, 2016, whereby on payment of $100,000 on or before May 1, 2017 and $40,000 per year for five years paid on each December 1 beginning in 2017, the Corporation has the option to own 100% of the Cinnabar claim group. At the end of the five years, rather than purchase the Cinnabar claim group the Corporation has the option to extend the agreement for an additional 15 years, with annual payments each year on December 1st as follows: 2022 – 2026: $25,000; 2027 – 2031: $30,000; and 2032 – 2037: $35,000. As at December 31, 2016, $650,000 had been paid to date on the original option agreement, dated May 3, 2011. At completion of the amended option agreement, the Corporation will have paid $950,000 in total related to the claims.

4. Exploration and Evaluation Assets (continued)

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.

5. Warrant Derivative

The exercise price of certain warrants is 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 and the warrants 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 consolidated statement of net loss and comprehensive loss. Upon exercise, the holders will pay the Corporation the respective exercise price for each warrant exercised in exchange for one common share of Midas Gold and the 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 that expire unexercised will be recorded as a gain in the consolidated statement of net loss and comprehensive loss. There are no circumstances in which the Corporation would be required to pay any cash upon exercise or expiry of the warrants.

In May 2013, the Corporation issued to Franco Nevada Corporation ("Franco") 2,000,000 share purchase warrants ("Franco Warrants"). The Franco Warrants are exercisable into 2,000,000 common shares of the Corporation at C$1.23 per warrant. The Franco Warrants contain a mandatory conversion feature which requires Franco 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 Franco Warrants expire on May 9, 2023.

In May 2015, the Corporation issued 9,562,095 share purchase warrants ("2015 Warrant(s)") as part of a private placement of Units ("2015 Unit(s)"). Each 2015 Unit consisted of one Share and one-half of one 2015 Warrant. Each 2015 Warrant entitles the holder to purchase one Share at a price of C$0.60 until May 20, 2017. During the three months ended March 31, 2017, 28,500 of the 2015 Warrants were exercised for cash proceeds of C$17,100 (US$12,973), leaving a balance of 5,616,620 warrants outstanding as of March 31, 2017.

A reconciliation of the change in fair values of the derivative is below:

		FV Warrant Derivative
Balance, December 31, 2015	$	284,572
Fair value of warrants exercised		(1,409,772)
Change in fair value of warrant derivative		2,980,265
Balance, December 31, 2016	$	1,855,065
Fair value of warrants exercised		(4,762)
Change in fair value of warrant derivative		(421,217)
Balance, March 31, 2017	$	1,429,086

(Expressed in US dollars)

5. Warrant Derivative (continued)

The fair value of the warrants was calculated using the Black-Scholes valuation model. The weighted average assumptions used in the Black-Scholes valuation model are:

	March 31, 2017	December 31, 2016
Fair value of related warrants outstanding	$0.19	$0.24
Risk-free interest rate	0.9%	0.9%
Expected term (in years)	1.2	1.4
Expected share price volatility	69%	70%

6. Convertible Notes

On March 17, 2016, the Corporation issued unsecured convertible notes (the "Convertible Notes") for gross proceeds of $38.5 (C$50.0) million. The Convertible Notes bear interest at a rate of 0.05% per annum, payable annually in cash or common shares (at the Corporation's election) or added to the principal and payable on maturity, and have a maturity date of March 17, 2023. On the maturity date, the outstanding principal amount of the Convertible Notes is due and payable in cash unless converted in advance of that date. The holders of the Convertible Notes may convert any portion of their Convertible Notes at any time prior to the maturity date into common shares of the Corporation at a price of C$0.3541 per share. If there is an equity financing completed at 95% of C$0.3541, or below, the conversion price is adjusted downward. The Convertible Notes can be redeemed by the Corporation after four years with not more than 60-days written notice and not less than 30-days written notice if the Corporation's common shares reach a price of C$0.7082. Following the notice of redemption, but prior to the redemption date the holders may convert their Convertible Notes to be redeemed into common shares at the then-current conversion price.

During March of 2017 the first annual interest payment was made to note holders in cash, in the amount of $18,512. Also during March, Convertible Notes with a principal amount of $80,277 (C$106,200) were converted into 299,915 of the Corporation's common shares. The accreted value of the converted notes was $42,765 (C$56,571) at March 31, 2017.

The Convertible Notes have been deemed to contain an embedded derivative ("Convertible Note Derivative") relating to the conversion option. The Convertible Note Derivative was valued upon initial recognition at fair value using partial differential equation methods at $19.8 million (Note 7). At inception, the gross proceeds of the Convertible Notes were reduced by the estimated fair value of the Convertible Note Derivative ($19.8 million) and the transaction costs of related to the Convertible Notes ($0.4 million) resulting in a balance of $18.3 million. The Convertible Notes are measured at amortized cost and will be accreted to maturity over the term using the effective interest method.

The components of the Convertible Notes are summarized as follows:

(Expressed in US dollars)

6. Convertible Notes (continued)

		Convertible Notes
Balance, March 17, 2016	$	18,307,136
Accretion and Interest		1,675,461
Foreign exchange adjustments		(638,839)
Balance, December 31, 2016	$	19,343,758
Accretion and Interest Expense		526,370
Interest Payments		(18,512)
Conversions		(42,765)
Foreign exchange adjustments		182,396
Balance, March 31, 2017	$	19,991,247

7. Convertible Note Derivative

The Convertible Note Derivative related to the Convertible Notes (Note 6) was valued upon initial recognition at fair value of $19.8 million using partial differential equation methods and is subsequently re-measured at fair value at each period end through the consolidated statement of net loss and comprehensive loss. The components of the Convertible Note Derivative are summarized as follows:

		Convertible Note Derivative
Balance, March 17, 2016	$	19,771,572
Fair value adjustment		31,249,896
Foreign exchange adjustments		(1,983,632)
Balance, December 31, 2016	$	49,037,836
Fair value adjustment		(4,720,726)
Conversions		(95,658)
Foreign exchange adjustments		495,387
Balance, March 31, 2017	$	44,716,839

Upon conversion of the Convertible Notes, the fair value of the Convertible Note Derivative and the carrying value of the Convertible Notes will be reclassified to share capital. There are no circumstances in which the Corporation would be required to pay any cash upon conversion of the Convertible Notes.

The fair value of the Convertible Note Derivative was calculated using partial differential equation methods. The assumptions used in the valuation model include:

	March 31, 2017	December 31, 2016
Risk-free interest rate	1.2%	1.3%
Expected term (in years)	6.0	6.2
Share Price	C$0.81	$C0.87
Credit Spread	10%	10%
Implied discount on share price	37% - 26%	37% - 26%
Expected share price volatility	59%	59%

(Expressed in US dollars)

8. 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. Common Shares Issued

In March 2016, in conjunction with the issuance of the Convertible Notes (Note 6), the Corporation issued 14,643,880 shares at a price of C$0.3541 per common share, for gross proceeds of $4.0 million (C$5.2 million) and 353,007 common shares for services in relation to the issuance and transactions costs of $0.1 million (C$0.1 million). The net proceeds of the issuance were $3.9 million (C$5.0 million).

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 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 quarter vesting upon issuance and one quarter vesting on each anniversary from the date of grant.

A summary of share purchase option activity within the Corporation's share based compensation plan for the year ended December 31, 2016 and three months ended March 31, 2017 is as follows:

	Number of Options	**Weighted Average Exercise Price (C$)**	
Balance, December 31, 2015	13,507,000	$	1.96
Options granted	5,456,000		0.57
Options forfeited	(7,405,125)		2.67
Options exercised	(258,875)		0.49
Balance, December 31, 2016	11,299,000	$	0.85
Options granted	4,242,500		0.89
Options expired	(620,000)		3.83
Options exercised	(116,250)		0.32
Balance, March 31, 2017	14,805,250	$	0.74

During the three months ended March 31, 2017, the Corporation's total share based compensation was $740,566 (2016 - $151,113).

(Expressed in US dollars)

8. Share Capital (continued)

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, 2017	**March 31, 2016**
Fair value options granted	$0.52	$0.17
Risk-free interest rate	1.13%	0.7%
Expected term (in years)	5.0	5.0
Expected share price volatility	66%	62%
Expected dividend yield	-	-
Expected forfeiture	5%	5%

An analysis of outstanding share purchase options as at March 31, 2017 is as follows:

	Options Outstanding		Options Exercisable		
Weighted Average Exercise Price (C$)	**Number**	**Remaining Contractual Life (Years)**	**Number**	**Remaining Contractual Life (Years)**	**Expiry Date**
$3.10	250,000	0.4	250,000	0.4	Sep-7-2017
$3.10	185,000	0.5	185,000	0.5	Oct-9-2017
$0.71	420,000	1.1	420,000	1.1	May-22-2018
$0.89	500,000	1.3	500,000	1.3	July-31-2018
$0.72	1,132,000	1.8	1,132,000	1.8	Jan-8-2019
$0.95	8,000	1.8	8,000	1.8	Feb-3-2019
$0.46	2,507,750	2.8	1,928,063	2.8	Jan-6-2020
$0.42	382,500	3.2	191,250	3.2	May-25-2020
$0.31	2,014,125	3.8	1,007,063	3.8	Jan-6-2021
$0.39	220,000	4.0	110,000	4.0	Mar-16-2021
$0.66	1,448,375	4.1	362,094	4.0	Apr-19-2021
$0.83	120,000	4.2	30,000	4.2	Jun-23-2021
$0.82	120,000	4.5	30,000	4.5	Sep-16-2021
$0.88	595,000	4.5	148,750	4.5	Sep-19-2021
$0.92	600,000	5.5	-	5.5	Sep-30-2022
$0.93	60,000	4.7	15,000	4.7	Dec-13-2021
$0.89	3,697,500	4.8	924,375	4.8	Jan-05-2022
$0.89	545,000	4.9	136,250	4.9	Feb-27-2022
$0.74	14,805,250	3.6	7,330,594	2.9	

(Expressed in US dollars)

8. Share Capital (continued)

d. Warrants

A summary of warrant activity for the year ended December 31, 2016 and three months ended March 31, 2017 is as follows; see also Note 5:

	Number of Warrants		Weighted Average Exercise Price (C$)
Balance, December 31, 2015	19,979,239	$	0.87
Warrants exercised	(3,916,975)		0.60
Warrants expired	(8,417,144)		1.09
Balance December 31, 2016	7,645,120	$	0.76
Warrants exercised	(28,500)		0.60
Balance, March 31, 2017	7,616,620	$	0.76

An analysis of outstanding share purchase warrants as at March 31, 2017 is as follows:

Weighted Average Exercise Price (C$)	Warrants Outstanding and Exercisable	Remaining Contractual Life (Years)	Expiry Date
$ 0.60	5,616,620	0.1	May-20-2017
1.23	2,000,000	6.1	May-9-2023
$ 0.76	7,616,620	3.1	

9. Exploration and Evaluation Expenditures

The Corporation's exploration and evaluation expenditures at the Stibnite Gold Project for the three months ended March 31, 2017 and 2016 were as follows:

	Three Months Ended			
		March 31, 2017		March 31, 2016
Exploration and Evaluation Expenditures				
Consulting and labour cost	$	1,054,569	$	890,367
Field office and drilling support		483,944		202,550
Drilling		483,218		-
Engineering		481,145		43,905
Environmental and sustainability		796,244		356,941
Geochemistry and geophysics		-		222
	$	3,299,120	$	1,493,985

10. Finance Costs

The Corporation's finance costs for the three months ended March 31, 2017 were comprised of accretion costs of $521,706 and interest expense of $4,664 on the Convertible Notes. The Corporation's finance costs for the three months ended March 31, 2016 were comprised of accretion costs of $159,548, interest expense of $733, and transaction costs associated with the Convertible Note Derivative of $452,720.

(Expressed in US dollars)

11. Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables, Convertible Notes, Convertible Note Derivative 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 and convertible note are designated as other financial liabilities, which are measured at amortized cost. The Convertible Note Derivative and warrant derivatives are designated at fair value through profit or loss. The cash and cash equivalents, trade and other receivables, trade and other payables 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.

At March 31, 2017 and December 31, 2016, the levels in the Fair Value hierarchy into which the Corporation's financial assets and liabilities are measured and recognized on the balance sheet at fair value are categorized as follows:

						March 31, 2017
		Level 1		**Level 2**		**Level 3**
Convertible Note Derivative (see Note 7)	$	-	$	-	$	44,716,839
Warrant Derivative (see Note 5)		-		-		1,429,086
	$	-	$	-	$	46,241,070

						December 31, 2016
		Level 1		**Level 2**		**Level 3**
Convertible Note Derivative (see Note 7)	$	-	$	-	$	49,037,836
Warrant Derivative (see Note 5)		-		-		1,855,065
	$	-	$	-	$	50,892,901

(Expressed in US dollars)

12. Segmented Information

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

	March 31, 2017	December 31, 2016
Assets by geographic segment, at cost		
Canada		
Current assets	$ 32,695,297	$ 36,785,669
Non-current assets	49,481	53,473
	32,744,778	36,839,142
United States		
Current assets	656,441	700,115
Non-current assets	71,261,325	71,491,433
	71,917,766	72,191,548
	$ 104,662,545	$ 109,030,690

13. Commitments

a. *Office Rent*

The Corporation entered into various lease agreements for office and storage space. The total rent obligation over the next five years is $361,955 with $151,297 due within one year and $210,658 due after one year but not more than five years.

b. *Mining Claim Assessments*

The Corporation currently holds mining claims on which it has an annual assessment obligation of $235,000 to maintain the claims in good standing. The Corporation is committed to these payments indefinitely. Related to the Mining Claim Assessments is a $168,000 bond related to the Corporation's exploration activities.