MIDAS GOLD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 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 and nine months ended September 30, 2017 and 2016 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 and nine months ended September 30, 2017 and 2016.

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
As at September 30, 2017 and December 31, 2016
(Expressed in US dollars)

	Notes	September 30, 2017	December 31, 2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 25,256,533	$ 37,180,354
Trade and other receivables		64,463	23,315
Prepaid expenses		291,169	282,116
		$ 25,612,165	$ 37,485,785
NON-CURRENT ASSETS			
Buildings and equipment		$ 580,519	$ 1,062,602
Exploration and evaluation assets	4	70,817,593	70,482,303
		$ 71,398,112	$ 71,544,905
TOTAL ASSETS		$ 97,010,277	$ 109,030,690
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		$ 1,498,117	$ 1,272,708
Warrant derivative (i)	5	323,947	1,855,065
		$ 1,822,064	$ 3,127,773
NON-CURRENT LIABILITIES			
Convertible notes	6	$ 22,462,298	$ 19,343,758
Convertible note derivative (ii)	7	34,613,482	49,037,836
		$ 57,075,780	$ 68,381,594
TOTAL LIABILITIES		$ 58,897,844	$ 71,509,367
EQUITY			
Share capital	8	$ 228,764,530	$ 225,168,974
Equity reserve	8	23,376,645	22,101,334
Deficit		(214,028,742)	(209,748,985)
TOTAL EQUITY		$ 38,112,433	$ 37,521,323
TOTAL LIABILITIES AND EQUITY		$ 97,010,277	$ 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. 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 and nine months ended September 30, 2017 and 2016
(expressed in US dollars)

		Three Months Ended		Nine Months Ended	
	Notes	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
EXPENSES					
Consulting		$ 8,738	$ 4,909	$ 23,999	$ 8,280
Corporate salaries and benefits		169,525	150,556	483,864	554,071
Depreciation		92,699	230,687	564,507	796,660
Directors' fees		29,276	24,486	83,080	81,036
Exploration and evaluation	9	5,596,888	2,342,938	13,644,536	5,468,026
Office and administrative		51,543	46,475	126,530	198,874
Professional fees		24,864	11,779	118,663	71,140
Share based compensation	8	308,606	205,041	1,343,252	584,974
Shareholder and regulatory		84,842	74,711	314,260	222,924
Travel and related costs		50,991	25,437	121,600	85,826
OPERATING LOSS		$ 6,417,972	$ 3,117,019	$ 16,824,291	$ 8,071,811
OTHER (INCOME) EXPENSES					
Change in fair value of warrant derivative (i)	5	$ (50,783)	$ (62,055)	$ (768,104)	$ 3,227,891
Change in fair value of convertible note derivative (ii)	7	(6,144,741)	(1,439,431)	(17,245,243)	33,128,624
Finance costs	10	584,586	506,591	1,641,342	1,620,214
Foreign exchange loss (gain)		2,231,142	(1,045,629)	4,064,046	(1,102,816)
Interest income		(90,030)	(20,069)	(236,575)	(49,493)
Total other expenses		$ (3,469,826)	$ (2,060,593)	$ (12,544,534)	$ 36,824,420
NET LOSS AND COMPREHENSIVE LOSS		$ 2,948,146	$ 1,056,426	$ 4,279,757	$ 44,896,231
NET LOSS PER SHARE, BASIC AND DILUTED		$ 0.02	$ 0.01	$ 0.02	$ 0.26
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		186,306,515	177,266,656	183,223,424	172,179,976

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. 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 nine months ended September 30, 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	-		-		584,974		-		584,974
Shares issued in private placement (net of issuance costs)	8	14,996,887		3,873,411		-		-		3,873,411
Exercise of options		100,000		38,780		(13,337)		-		25,443
Exercise of warrants		2,176,500		1,876,060		-		-		1,876,060
Net loss and comprehensive loss for the period		-		-		-		(44,896,231)		(44,896,231)
BALANCE, September 30, 2016		178,102,667	$	223,701,969	$	21,986,042	$	(208,482,162)	$	37,205,849
BALANCE, January 1, 2017		180,002,017	$	225,168,974	$	22,101,334	$	(209,748,985)	$	37,521,323
Share based compensation	8	-		-		1,343,252		-		1,343,252
Exercise of options	8	388,750		181,513		(67,941)		-		113,572
Warrants exercised	5	5,615,833		3,275,620		-		-		3,275,620
Conversion of convertible notes	6,7	299,915		138,423		-		-		138,423
Net loss and comprehensive loss for the period		-		-		-		(4,279,757)		(4,279,757)
BALANCE, September 30, 2017		186,306,515	$	228,764,530	$	23,376,645	$	(214,028,742)	$	38,112,433

See accompanying notes to consolidated financial statements

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three and nine months ended September 30, 2017 and 2016
(Expressed in US dollars)

	Notes	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
OPERATING ACTIVITIES:					
Net loss		$ (2,948,146)	$ (1,056,426)	$ (4,279,757)	$ (44,896,231)
Adjustments for:					
Share based compensation	8	308,606	205,040	1,343,252	584,974
Depreciation		92,699	230,687	564,507	796,660
Finance costs	10	-	-	-	453,453
Accretion and interest expense	6,10	584,585	507,325	1,641,342	1,166,761
Loss on disposal of buildings and equipment		-	(2,500)	-	4,752
Change in fair value of warrant derivative	5	(50,783)	(62,055)	(768,104)	3,227,891
Change in fair value of convertible note derivative	7	(6,144,741)	(1,439,431)	(17,245,243)	33,128,624
Unrealized foreign exchange loss		2,315,328	(1,052,970)	4,238,906	(943,868)
Interest income		(90,030)	(20,069)	(236,575)	(49,493)
Changes in:					
Trade and other receivables		1,764	4,364	(15,368)	16,775
Prepaid expenses		176,663	(26,975)	(9,053)	(218,068)
Trade and other payables		(350,525)	197,461	225,408	47,216
Net cash used in operating activities		$ (6,104,580)	$ (2,515,549)	$ (14,540,685)	$ (6,680,554)
INVESTING ACTIVITIES:					
Investment in exploration and evaluation assets		$ (235,290)	$ (243,174)	$ (335,290)	$ (258,354)
(Purchase)/Sale of buildings and equipment		(16,279)	(161,730)	(82,423)	(151,371)
Interest received		65,173	20,069	210,793	49,493
Net cash used in investing activities		$ (186,396)	$ (384,835)	$ (206,920)	$ (360,232)
FINANCING ACTIVITIES:					
Proceeds from issuance of common shares, net of share issue costs	5,8	$ -	$ 840,858	$ 2,626,179	$ 5,020,398
Proceeds from issuance of convertible notes	6	-	-	-	38,508,431
Payment of transaction costs on issuance of common shares and convertible notes		-	-	-	(913,513)
Interest paid on convertible notes	6	-	-	(18,512)	-
Net cash provided by financing activities		$ -	$ 840,858	$ 2,607,667	$ 42,615,316
Effect of foreign exchange on cash and cash equivalents		65,025	(66,889)	216,117	(44,115)
Net (decrease) increase in cash and cash equivalents		(6,225,951)	(2,126,415)	(11,923,821)	35,530,415
Cash and cash equivalents, beginning of period		31,482,484	42,159,155	37,180,354	4,502,325
Cash and cash equivalents, end of period		$ 25,256,533	$ 40,032,740	$ 25,256,533	$ 40,032,740
Cash		$ 1,528,866	$ 1,640,155	$ 1,528,866	$ 1,640,155
Investment savings		15,820,928	26,462,575	15,820,928	26,462,575
GIC and term deposits		7,906,739	11,930,010	7,906,739	11,930,010
Total cash and cash equivalents		$ 25,256,533	$ 40,032,740	$ 25,256,533	$ 40,032,740

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. 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”).

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, 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 and nine-month periods ended September 30, 2017 and 2016 were approved and authorized for issue by the Board of Directors on November 2, 2017. All “$” dollars included herein are United States Dollars, unless specifically stated as “C$” which are Canadian Dollars.

3. Accounting Standards Issued but not yet Effective

i) Financial instruments

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) Leases

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

(Expressed in US dollars)

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

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 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 September 30, 2017 and December 31, 2016, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

	December 31, 2016	Additions	September 30, 2017
Acquisition Costs			
Interest on notes payable	$ 116,546	$ -	$ 116,546
Mineral claims	82,887,467	335,290	83,222,757
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	$ 70,482,303	$ 335,290	$ 70,817,593

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 (paid in April 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 – 2036: $35,000. As at September 30, 2017, $750,000 had been paid to date on the original option agreement, dated May 3, 2011.

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)") of which 5,645,120 were outstanding at December 31, 2016. Each 2015 Unit consisted of one Share and one-half of one 2015 Warrant. Each 2015 Warrant entitled the holder to purchase one Share at a price of C$0.60 until May 20, 2017. During the nine months ended September 30, 2017, 5,615,833 of the 2015 Warrants were exercised for cash proceeds of $2,512,607 (C$3,371,130). The remaining 29,287 warrants outstanding expired on the expiration date, May 20, 2017.

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

	Fair Value of 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	(763,014)
Change in fair value of warrant derivative	(768,104)
Balance, September 30, 2017	$ 323,947

(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:

	September 30, 2017	December 31, 2016
Fair value of related warrants outstanding	$0.16	$0.24
Risk-free interest rate	1.9%	0.9%
Expected term (in years)	3.6	1.4
Expected share price volatility	65%	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. As at September 30, 2017, the principal amount of the Convertible Notes is $39,993,911 (C$49,912,401).

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 are being accreted to maturity over the term using the effective interest method.

(Expressed in US dollars)

6. Convertible Notes (continued)

The components of the Convertible Notes are summarized as follows:

		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		1,641,342
Interest payments		(18,512)
Conversions into common shares		(42,765)
Foreign exchange adjustments		1,538,475
Balance, September 30, 2017	$	22,462,298

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		(17,245,243)
Conversions		(95,658)
Foreign exchange adjustments		2,916,547
Balance, September 30, 2017	$	34,613,482

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 significant assumptions used in the valuation model include:

	September 30, 2017	December 31, 2016
Risk-free interest rate	1.8%	1.3%
Expected term (in years)	5.5	6.2
Share Price	C$0.65	$C0.87
Credit Spread	10%	10%
Implied discount on share price	37% - 26%	37% - 26%
Expected share price volatility	58%	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 nine months ended September 30, 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	4,512,500		0.88
Options expired	(870,000)		3.62
Options exercised	(388,750)		0.41
Balance, September 30, 2017	14,552,750	$	0.71

The number of outstanding options represents 7.8% of the issued and outstanding shares at September 30, 2017. During the three and nine months ended September 30, 2017, the Corporation's total share based compensation was $308,606 and $1,343,252, respectively (2016 - $205,041 and $584,974).

(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:

	Nine Months Ended	
	September 30, 2017	**September 30, 2016**
Fair value options granted	$0.51	$0.29
Risk-free interest rate	1.2%	0.7%
Expected term (in years)	5.0	5.1
Expected share price volatility	66%	64%
Expected dividend yield	-	-
Expected forfeiture	5%	5%

An analysis of outstanding share purchase options as at September 30, 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	185,000	0.0	185,000	0.0	Oct-9-2017
$0.71	420,000	0.6	420,000	0.6	May-22-2018
$0.89	500,000	0.8	500,000	0.8	July-31-2018
$0.72	1,092,000	1.3	1,092,000	1.3	Jan-8-2019
$0.95	8,000	1.3	8,000	1.3	Feb-3-2019
$0.46	2,384,000	2.3	1,788,000	2.3	Jan-6-2020
$0.42	356,250	2.7	267,188	2.7	May-25-2020
$0.31	1,931,625	3.3	965,813	3.3	Jan-6-2021
$0.39	220,000	3.5	110,000	3.5	Mar-16-2021
$0.66	1,448,375	3.6	724,188	3.6	Apr-19-2021
$0.83	120,000	3.7	60,000	3.7	Jun-23-2021
$0.82	120,000	4.0	60,000	4.0	Sep-16-2021
$0.88	595,000	4.0	297,500	4.0	Sep-19-2021
$0.92	600,000	5.0	-	5.0	Sep-30-2022
$0.93	60,000	4.2	15,000	4.2	Dec-13-2021
$0.89	3,697,500	4.3	924,375	4.3	Jan-05-2022
$0.89	545,000	4.4	136,250	4.4	Feb-27-2022
$0.71	270,000	4.8	67,500	4.8	Jul-05-2022
$0.71	14,552,750	3.2	7,620,814	2.7	

(Expressed in US dollars)

8. Share Capital (continued)

d. Warrants

A summary of warrant activity for the year ended December 31, 2016 and nine months ended September 30, 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	(5,615,833)	0.60
Warrants expired	(29,287)	0.60
Balance, September 30, 2017	2,000,000	$ 1.23

9. Exploration and Evaluation Expenditures

The Corporation's exploration and evaluation expenditures at the Stibnite Gold Project for the three and nine months ended September 30, 2017 and 2016 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Exploration and Evaluation Expenditures				
Consulting and labour cost	1,030,928	763,378	3,140,632	2,378,667
Field office and drilling support	673,202	424,504	1,660,645	868,458
Drilling	615,204	202,280	1,340,949	202,280
Engineering	745,958	142,830	1,905,964	255,322
Permitting, environment & sustainability	2,531,596	809,945	5,596,346	1,763,077
Geochemistry and geophysics	-	-	-	222
	$ 5,596,888	$ 2,342,938	$ 13,644,536	$ 5,468,026

10. Finance Costs

The Corporation's finance costs for the three and nine months ended September 30, 2017 and 2016 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Finance costs				
Accretion	579,548	501,760	1,627,001	1,156,358
Interest expense	5,037	4,831	14,341	10,403
Transaction costs	-	-	-	453,453
	$ 584,585	$ 506,591	$ 1,641,342	$ 1,620,214

(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 September 30, 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:

						September 30, 2017
		Level 1		**Level 2**		**Level 3**
Convertible Note Derivative (Note 7)	$	-	$	-	$	34,613,482
Warrant Derivative (Note 5)		-		-		323,947
	$	-	$	-	$	34,937,429

						December 31, 2016
		Level 1		**Level 2**		**Level 3**
Convertible Note Derivative (Note 7)	$	-	$	-	$	49,037,836
Warrant Derivative (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:

	September 30, 2017	December 31, 2016
Assets by geographic segment, at cost		
Canada		
Current assets	$ 24,884,054	$ 36,785,669
Non-current assets	41,337	53,473
	24,925,391	36,839,142
United States		
Current assets	728,112	700,116
Non-current assets	71,356,774	71,491,432
	72,084,886	72,191,548
	$ 97,010,277	$ 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 $382,235, with $216,723 due within one year and $165,513 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.