CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(expressed in US Dollars)

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
As at September 30, 2019 and December 31, 2018
(Expressed in US dollars)

	Notes	September 30, 2019	December 31, 2018
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 25,882,651	$ 29,886,558
Receivables		143,735	264,047
Prepaid expenses		346,735	270,161
		$ 26,373,121	$ 30,420,766
NON-CURRENT ASSETS			
Buildings and equipment		$ 279,252	$ 396,881
Right-of-use assets	3	261,074	-
Exploration and evaluation assets	4	71,383,369	71,132,883
		$ 71,923,695	$ 71,529,764
TOTAL ASSETS		$ 98,296,817	$ 101,950,530
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		$ 3,975,124	$ 2,921,175
Warrant derivative (i)	5	102,581	454,819
Lease liabilities	3	87,357	-
		$ 4,165,063	$ 3,375,994
NON-CURRENT LIABILITIES			
Convertible notes	6	$ 26,111,168	$ 23,433,664
Convertible note derivative (ii)	7	24,195,248	48,479,797
Non-current lease liabilities	3	187,741	-
		$ 50,494,157	$ 71,913,461
TOTAL LIABILITIES		$ 54,659,220	$ 75,289,455
EQUITY			
Share capital	8	$ 283,156,807	$ 267,595,776
Equity reserve	8	25,600,585	24,394,532
Deficit		(265,119,795)	(265,329,233)
TOTAL EQUITY		$ 43,637,597	$ 26,661,075
TOTAL LIABILITIES AND EQUITY		$ 98,296,817	$ 101,950,530

Commitments and contingencies – Notes 3 and 12

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 (INCOME)/LOSS AND COMPREHENSIVE (INCOME)LOSS

For the three and nine months ended September 30, 2019 and 2018

(expressed in US dollars, except for number of shares)

	Notes	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
EXPENSES					
Consulting		$ 59,780	$ 1,446	$ 98,423	$ 41,089
Corporate salaries and benefits		145,142	138,490	593,422	372,742
Depreciation		60,317	55,098	185,520	212,618
Directors' fees		34,376	30,599	96,790	95,398
Exploration and evaluation	9	7,357,290	6,045,149	19,098,073	18,327,576
Office and administrative		40,560	51,390	96,022	132,295
Professional fees		38,415	6,612	185,298	73,471
Share based compensation	8	359,886	234,498	1,501,359	1,039,665
Shareholder and regulatory		36,434	55,049	270,224	259,691
Travel and related costs		55,973	56,402	170,409	187,219
OPERATING LOSS		$ 8,188,174	$ 6,674,733	$ 22,295,541	$ 20,741,764
OTHER (INCOME)/EXPENSES					
Change in fair value of warrant derivative (i)	5	$ (28,011)	$ (94,213)	$ (352,238)	$ 191,016
Change in fair value of convertible note derivative (ii)	7	(2,944,310)	(5,121,941)	(25,581,693)	21,148,669
Finance costs	10	689,766	621,633	1,998,126	1,844,509
Foreign exchange (gain)/loss		(609,150)	1,246,338	1,892,579	(2,205,823)
Gain on sale of building and equipment		(18,500)	-	(18,500)	-
Interest income		(159,170)	(234,036)	(443,251)	(427,822)
Total other (income)/expenses		$ (3,069,375)	$ (3,582,219)	$ (22,504,977)	$ 20,550,549
NET LOSS/(INCOME) AND COMPREHENSIVE LOSS/(INCOME)		$ 5,118,799	$ 3,092,514	$ (209,436)	$ 41,292,314
NET LOSS PER SHARE, BASIC AND DILUTED		$ 0.02	$ 0.01	$ 0.00	$ 0.02
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		270,481,773	234,702,490	249,196,193	210,862,600

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.*

See accompanying notes to condensed consolidated interim financial statements

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2019 and 2018
(Expressed in US dollars, except for number of shares)

		Share Capital								
	Note	Shares		Amount		Equity Reserve		Deficit		Total
BALANCE, January 1, 2018		186,356,265	$	228,787,138	$	23,635,064	$	(218,041,248)	$	34,380,954
Share based compensation	8	-		-		969,183		-		969,183
Private placement	8	46,551,731		38,065,907		-		-		38,065,907
Share issue cost	8	-		(542,635)		-		-		(542,635)
Exercise of options	8	1,871,998		1,265,256		(465,722)		-		799,534
Net loss and comprehensive loss for the period		-		-		-		(41,292,314)		(41,292,314)
BALANCE, September 30, 2018		234,779,994	$	267,575,666	$	24,138,524	$	(259,333,562)	$	32,380,629
BALANCE, January 1, 2019		234,812,690	$	267,595,775	$	24,394,533	$	(265,329,233)	$	26,661,074
Share based compensation	8	-		-		1,526,123		-		1,526,123
Public offering	8	33,200,000		14,929,176		-		-		14,929,176
Share issue cost	8	-		(844,832)		-		-		(844,832)
Shares based payments	8	1,500,000		877,500		-		-		877,500
Shares issued through Stock Appreciation Rights	8	137,383		97,424		(122,188)		-		(24,764)
Exercise of options	8	831,700		501,763		(197,882)		-		303,882
Net income and comprehensive income for the period		-		-		-		209,436		209,436
BALANCE, September 30, 2019		270,481,773	$	283,156,807	$	25,600,586	$	(265,119,797)	$	43,637,595

See accompanying notes to condensed consolidated interim financial statements

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three and nine months ended September 30, 2019 and 2018
(Expressed in US dollars)

		Three Months Ended		Nine Months Ended	
	Notes	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
OPERATING ACTIVITIES:					
Net (loss)/income		$ (5,118,799)	$ (3,092,514)	$ 209,436	$ (41,292,314)
Adjustments for:					
Share based compensation	8	359,886	234,498	1,526,123	1,039,665
Share based payments	8b	-	-	877,500	-
Depreciation		60,317	55,098	185,520	212,618
Accretion and interest expense	6,10	689,766	621,633	1,998,126	1,844,509
Gain on disposal of buildings and equipment		(18,500)	-	(18,500)	-
Change in fair value of warrant derivative	5	(28,011)	(94,214)	(352,238)	191,016
Change in fair value of convertible note derivative	7	(2,944,310)	(5,121,941)	(25,581,693)	21,148,669
Unrealized foreign exchange (loss)/gain		(587,511)	1,235,008	1,983,044	(2,208,254)
Interest income		(159,170)	(234,036)	(443,251)	(427,822)
Changes in:					
Receivables		227,169	(34,744)	189,333	(43,961)
Prepaid expenses		211,756	169,090	(76,574)	(9,906)
Trade and other payables		806,542	(77,770)	1,053,949	(330,020)
Net cash used in operating activities		$ (6,500,865)	$ (6,339,892)	$ (18,449,225)	$ (19,875,800)
INVESTING ACTIVITIES:					
Investment in exploration and evaluation assets		$ (250,486)	$ (235,290)	$ (250,486)	$ (235,290)
Purchase of buildings and equipment		-	(35,147)	(20,456)	(120,960)
Sale of buildings and equipment		18,500	-	18,500	-
Interest received		(151,151)	163,126	374,230	310,651
Net cash (used in)/provided by investing activities		$ (383,137)	$ (107,311)	$ 121,788	$ (45,599)
FINANCING ACTIVITIES:					
Proceeds from issuance of common shares through financing	8	$ -	$ -	$ 14,929,176	$ 38,065,907
Payment of transaction costs on issuance of common shares through financing	8	-	-	(844,832)	(542,635)
Proceeds from issuance of common shares through exercise of options		-	29,711	279,117	729,052
Interest paid on Convertible Notes	6	-	-	(18,727)	(19,276)
Payment of lease liabilities		(28,378)	-	(48,181)	-
Net cash (used in)/provided by financing activities		$ (28,378)	$ 29,711	$ 14,296,563	$ 38,233,048
Effect of foreign exchange on cash and cash equivalents		(33,056)	43,024	26,967	(55,445)
Net (decrease)/increase in cash and cash equivalents		(6,945,434)	(6,374,467)	(4,003,907)	18,256,206
Cash and cash equivalents, beginning of period		32,828,086	43,546,096	29,886,558	18,915,423
Cash and cash equivalents, end of period		$ 25,882,651	$ 37,171,629	$ 25,882,651	$ 37,171,629
Cash		$ 1,979,075	$ 3,097,730	$ 1,979,075	$ 3,097,730
Investment savings		5,635,279	10,614,285	5,635,279	10,614,285
GIC and term deposits		18,268,297	23,459,614	18,268,297	23,459,614
Total cash and cash equivalents		$ 25,882,651	$ 37,171,629	$ 25,882,651	$ 37,171,629

See accompanying notes to condensed consolidated interim 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, USA. 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 IFRS.

b. *Basis of Presentation*

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, 2018, except for those discussed herein and further detailed in Note 3 related to the implementation of IFRS 16.

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, 2018. There have been no changes in judgments or estimates since December 31, 2018.

These condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2019 and 2018 were approved and authorized for issue by the board of directors on November 12, 2019. All "$" dollars included herein are United States Dollars, unless specifically stated as "C$" which are Canadian Dollars.

c. *Adoption of New Accounting Standards*

The Corporation applied IFRS 16 with a date of initial application of January 1, 2019 using the modified retrospective approach, under which the cumulative effect of initial application, if any, is recognized in retained earnings at January 1, 2019. The details of the changes in accounting policies are disclosed below.

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset (a right-to-use, or "ROU" asset) for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- The Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

2. Basis of Preparation (continued)

- The Corporation has the right to direct the use of the asset. The Corporation has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Corporation has the right to direct the use of the asset if either:
  - The Corporation has the right to operate the asset; or
  - The Corporation designed the asset in a way that predetermines how and for what purpose it will be used.

If a contract is deemed to be, or contains, a lease, the Corporation recognizes an ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The Corporation has elected not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement, as a practical expedient permissible under IFRS 16.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The ROU asset is presented as a separate line in the condensed consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Both the current and non-current lease liability are presented as separate lines in the condensed consolidated statement of financial position.

Lease payments to be included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Corporation is reasonably certain to exercise, lease payments in an optional renewal if the Corporation is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Corporation is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

(Expressed in US dollars)

2. Basis of Preparation (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Corporation has elected not to recognize ROU assets and lease liabilities for leases of low-value assets and short-term leases that have a lease term of less than 12 months and where extension clauses within the original contract have been fully utilized. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

In the comparative period, assets held under leases were all classified as operating leases under IAS 17 and were not recognized in the Corporation's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. There were no leases in place at the prior year end that would not qualify for the exemptions permissible for short-term leases and leases of low-value assets under IFRS 16.

3. Leases

The Corporation leases building space for the Corporate office in Vancouver, BC, and for the U.S. subsidiaries in Donnelly, ID and has identified these leases to have ROU assets. As at September 30, 2019, these are the only leases identified to have ROU assets. The Corporation is utilizing an incremental borrowing rate of 10% for calculating lease liabilities and ROU assets.

ROU Assets

		Property
Balance, January 1, 2019	$	-
Additions		308,510
Depreciation charge for the period		(47,435)
Balance, September 30, 2019	$	261,074

Lease Liabilities

		September 30,2019
Maturity analysis – contractual undiscounted cash flows		
Less than one year	$	110,019
One to five years		204,621
Total undiscounted lease liabilities at September 30, 2019	$	314,640
Lease liabilities included in the statement of financial position at September 30, 2019	$	275,098
Current		87,357
Non-Current		187,741

Amounts recognized in profit and loss

		September 30, 2019
Depreciation expense of ROU assets	$	(47,435)
Expenses relating to short-term leases		(122,835)
Expenses relating to leases of low-value assets		(12,041)
Interest on lease liabilities		(14,760)

(Expressed in US dollars)

3. Leases (continued)

Payments made during the period for leases where the Corporation has elected to not recognize ROU assets and lease liabilities are recognized in the statement of net loss and comprehensive loss are presented in the table above.

Amounts recognized in the statement of cash flows

	September 30, 2019
Total payments on lease liability	$ (48,171)
Principal on leases	(33,411)
Interest expense	(14,760)

4. Exploration and Evaluation Assets

At September 30, 2019 and December 31, 2018, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

	December 31, 2018	Additions	September 30, 2019
Acquisition Costs			
Interest on notes payable	$ 116,546	$ -	$ 116,546
Mineral claims	83,538,047	250,486	83,788,533
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	$ 71,132,883	$ 250,486	$ 71,383,369

At December 31, 2017 and 2018, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

	December 31, 2017	Additions	December 31, 2018
Acquisition Costs			
Interest on notes payable	$ 116,546	$ -	$ 116,546
Mineral claims	83,262,757	275,290	83,538,047
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	$ 70,857,593	$ 275,290	$ 71,132,883

Summary

The Corporation acquired mineral rights to the Stibnite Gold Project through several transactions. All mineral rights are 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, which states that from and after the date of the amended agreement and any time during the term of the amended agreement, the Corporation has the option to own 100% of the Cinnabar claim group at no further cost. The amended agreement also states that if the Corporation elects not to exercise the option of ownership, the option will remain in good standing with payments of $40,000 per year for five years paid on each

4. Exploration and Evaluation Assets (continued)

December 1 beginning in 2017. At the end of the five years, rather than elect to take ownership of 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, 2019, $830,000 had been paid to date on the amended option agreement and original option agreement, dated May 3, 2011, which gives the Corporation the option to acquire the property at no further cost. At completion of the amended option agreement, the Corporation will have paid $950,000 in total related to the claims.

Mineral Rights

Although the Corporation has taken steps to verify mineral rights 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 and interests. Mineral title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

5. Warrant Derivative

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.

The exercise price of the Franco 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 condensed 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 condensed 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.

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

	Fair Value of Warrant Derivative
Balance, December 31, 2018	$ 454,819
Change in fair value of warrant derivative	(352,238)
Balance, September 30, 2019	$ 102,581

(Expressed in US dollars)

5. Warrant Derivative (continued)

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

	September 30, 2019	December 31, 2018
Share price	C$0.60	C$0.96
Exercise price	C$1.23	C$1.23
Expected term (in years)	1.6	2.4
Expected share price volatility	63%	65%
Annual rate of quarterly dividends	0%	0%
Risk-free interest rate	1.6%	1.9%

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 when the Corporation's common shares reach a price of C$0.7082 or higher. 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 2019, the second annual interest payment was made to note holders in cash, in the amount of $18,727.

The Convertible Notes are 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 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 expected value of the Convertible Notes at maturity is $37.7 million (C$49.9 million) based on the exchange rate at September 30, 2019 (2018 - $38.6 million (C$49.9 million)).

The components of the Convertible Notes are summarized as follows:

		Convertible Notes
Balance, December 31, 2018	$	23,433,664
Accretion and Interest Expense		1,983,365
Interest Payments		(18,727)
Foreign exchange adjustments		712,867
Balance, September 30, 2019	$	26,111,168

(Expressed in US dollars)

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 condensed consolidated statement of net loss and comprehensive loss. The components of the Convertible Note Derivative are summarized as follows:

		Convertible Note Derivative
Balance, December 31, 2018	$	48,479,797
Fair value adjustment		(25,581,693)
Foreign exchange adjustments		1,297,144
Balance, September 30, 2019	$	24,195,248

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 inputs used in the valuation model include the following, with a change in share price having the most significant impact on the valuation:

	September 30, 2019	December 31, 2018
Risk-free interest rate	1.5%	1.9%
Expected term (in years)	3.5	4.2
Share Price	C$0.60	C$0.96
Credit Spread	10%	10%
Implied discount on share price	37% - 26%	37% - 26%
Expected share price volatility	58%	56%

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***

On June 19, 2019, the Corporation issued 33,200,000 shares at a price of C$0.60 per common share, for gross proceeds of $14.9 million (C$19.9 million) with transaction costs of $0.8 million (C$1.1 million). The net proceeds of the issuance were $14.1 million (C$18.8 million).

On April 16, 2019, the Corporation issued 1,500,000 common shares in the capital of the Company, valued at $877,500, to launch the Stibnite Foundation in Idaho. These grants to the Stibnite Foundation were made in accordance with the Company's ongoing annual and milestone funding obligations pursuant to the terms of the Community Agreement between Midas Gold Idaho and eight communities and counties throughout the West Central Mountains regions of Idaho.

(Expressed in US dollars)

8. Share Capital (continued)

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 five day weighted-average share price on the day preceding the award date, subject to regulatory approval. The Stock Option Plan includes a Stock Appreciation Rights ("SAR") clause which allows individuals the option to terminate vested options and receive shares in lieu of the benefits which would have been received had the options been exercised. 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, 2018 and nine months ended September 30, 2019 is as follows:

	Number of Options	Weighted Average Exercise Price (C$)
Balance, December 31, 2017	13,930,750	$ 0.68
Options granted	5,220,000	0.72
Options expired	(10,000)	0.71
Options terminated via SAR	(645,000)	0.83
Options exercised	(1,811,675)	0.56
Balance December 31, 2018	16,684,075	$ 0.70
Options granted	4,460,000	0.95
Options expired	(543,375)	0.70
Options terminated via SAR	(402,500)	0.62
Options exercised	(831,700)	0.52
Balance, September 30, 2019	19,366,500	$ 0.77

The number of outstanding options represents 7.2% of the issued and outstanding shares at September 30, 2019. During the three and nine months ended September 30, 2019, the Corporation's total share-based compensation was $359,886 and $1,501,359, respectively (2018 - $234,498 and $1,039,665). This is comprised of $359,886 and $1,526,123, respectively, in periodic stock based compensation related to options granted (2018 - $360,976 and $1,146,145, respectively) and nil and $(24,764), respectively, related to SAR activity (2018 – $126,478 and $106,480).

The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes option pricing model are:

	Nine Months Ended	
	September 30, 2019	September 30, 2018
Fair value options granted	$0.60	$0.39
Risk-free interest rate	1.8%	2.1%
Expected term (in years)	5.0	5.0
Expected share price volatility	64%	64%
Expected dividend yield	-	-
Expected forfeiture	5%	5%

(Expressed in US dollars)

8. Share Capital (continued)

An analysis of outstanding share purchase options as at September 30, 2019 is as follows:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices (C$)	Number	Weighted Average Exercise Price (C$)	Weighted Average Remaining Contractual Life (Years)	Number	Weighted Average Exercise Price (C$)	Weighted Average Remaining Contractual Life (Years)
\$0.31 - \$0.46	2,897,625	\$0.40	0.8	2,897,625	\$0.40	0.8
\$0.59 - \$0.72	5,055,125	\$0.62	2.9	3,174,500	\$0.63	2.5
\$0.82 - \$0.89	5,268,750	\$0.88	2.4	4,015,313	\$0.88	2.3
\$0.91 - \$0.98	6,145,000	\$0.96	4.0	1,358,750	\$0.97	4.1
\$0.31 - \$0.98	19,366,500	\$0.77	2.8	11,446,188	\$0.70	2.2

d. *Warrants*

There was a total of 2,000,000 warrants outstanding as of both December 31, 2018 and September 30, 2019.

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, 2019 and 2018 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Exploration and Evaluation Expenditures				
Consulting and labour cost	1,054,379	1,286,818	3,569,996	3,908,419
Drilling	-	403	-	458,763
Field office and drilling support	800,479	1,054,681	1,661,450	2,187,351
Engineering	472,350	1,009,691	1,712,251	3,549,721
Permitting	4,591,314	2,131,932	10,103,871	6,337,877
Environmental and reclamation	-	386,200	-	1,450,145
Legal and sustainability	438,768	175,424	2,050,505	435,300
	\$ 7,357,290	\$ 6,045,149	\$ 19,098,073	\$ 18,327,576

10. Finance Costs

The Corporation's finance costs for the three and nine months ended September 30, 2019 and 2018 were as follows:

(Expressed in US dollars)

10. Finance Costs (continued)

	Three Months Ended		Nine Months Ended	
	September 30, 2019	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
Finance costs				
Accretion	677,984	616,804	1,969,269	1,829,964
Interest expense on Convertible Notes	4,781	4,829	14,097	14,545
Interest expense on leases	7,001	-	14,760	-
	$ 689,766	$ 621,633	$ 1,998,126	$ 1,844,509

11. 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, 2019	**December 31, 2018**
Assets by geographic segment, at cost		
Canada		
Current assets	$ 25,869,515	$ 29,852,503
Non-current assets	113,288	20,878
	25,982,803	29,873,381
United States		
Current assets	503,606	568,264
Non-current assets	71,810,407	71,508,885
	72,314,014	72,077,149
	$ 98,296,817	$ 101,950,530

12. Commitments and Contingencies

a. *Mining Claim Assessments*

The Corporation currently holds mining claims on which it has an annual assessment obligation of $250,470 to maintain the claims in good standing. The Corporation is committed to these payments indefinitely. Related to the Mining Claim Assessments is a $335,000 bond related to the Corporation's exploration activities.

The Corporation is obligated to make option payments on mineral claims comprising the Cinnabar prospect, which is part of the Project, in order to maintain an option to purchase to obtain title to these claims. As at September 30, 2019, the remaining option payments due on the Cinnabar property are $120,000, which will be paid over the next three years. The agreement includes an option to extend up to 20 years.

b. *Stibnite Foundation*

Upon formation of the Stibnite Foundation on February 26, 2019, the Corporation became contractually liable for certain future payments to the Foundation based on several triggering events, including receipt of a positive Record of Decision issued by the US Forest Service, receipt of all permits and approvals necessary for commencement of construction, commencement of construction, commencement of commercial production, and commencement of the final reclamation phase. These payments could begin

12. Commitments and Contingencies (continued)

as early as Q4 2020 based on the current permitting schedule and range from $0.1 million to $1 million (upon commencement of final reclamation phase) in cash and 1.5 million in shares. During commercial production, the Corporation will make payments to the Stibnite Foundation equal to 1% of Total Comprehensive Income less debt repayments or a minimum of $0.5 million.

The Foundation will support projects that benefit the communities surrounding the Stibnite Gold Project and was created through the establishment of the Community Agreement between Midas Gold Idaho, Inc. and eight communities and counties throughout the West Central Mountains region of Idaho.

c. Legal Update

On August 8, 2019, the Nez Perce Tribe filed a complaint in the United States District Court for the District of Idaho claiming that Midas Gold Corp. and its related companies are violating the Clean Water Act by failing to secure permits for point source water pollution allegedly occurring at Midas Gold's Stibnite Gold Project site. On October 9, 2019, Midas Gold filed a motion to stay the litigation based on certain considerations. On October 25, 2019, Midas Gold filed a motion to dismiss the complaint. Midas Gold believes that the case will be ultimately dismissed.