



# MIDAS GOLD

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## **Midas Gold Provides Update on Progress at Golden Meadows Project, Idaho**

*Project Optimization Continues, 5,000+m Core Drill Program Underway*

**VANCOUVER, BRITISH COLUMBIA – Midas Gold Corp. (TSX:MAX)** today provided an update on its Golden Meadows project in the Stibnite mining district of Idaho, including project optimization activities and on-going core drilling. Significant progress has been made in a number of areas, all with a view to improving the financial, technical and environmental outcomes from any future project. Areas with notable progress include mineral resource definition, optimizing potential mine plans, defining a potential opportunity for reprocessing historic tailings, improved siting for facilities and closure planning, as well as processing options.

“Midas Gold continues to advance its Golden Meadows Project, located in the historic Stibnite mining district in Idaho, on a number of fronts,” said Stephen Quin, President & CEO of Midas Gold. “Our aim has been to re-evaluate the project from end to end with a view to optimizing the project scale, economics and technical certainty, while looking to reduce the potential environmental footprint and improve the potential site restoration scenarios so that we can leave the site considerably better than we find it now,” he said. “We are also striving to achieve these objectives in the most cost effective and timely manner and, following the completion of the recent financing, have re-evaluated the work program to reduce costs and improve timing by eliminating a number of intermediate reporting steps ahead of completion of a pre-feasibility study planned for 2014.”

### ***Focus on Cost Efficiencies and Optimizing Potential Economic Returns***

Midas Gold continues to focus on ensuring its funds are most effectively deployed in order to achieve its objectives in a cost effective and timely manner. Previously, Midas Gold had planned to complete an updated preliminary economic assessment (“PEA”) later in 2013, followed by a pre-feasibility study (“PFS”), however this entailed completion of two technical studies, each including comprehensive updates to the mineral resource estimates and entailing two technical reports. As reported on May 15, 2013, Midas Gold has elected to advance directly to completion of a PFS and plans to achieve this with a single mineral resource update post-completion of the 2013 drilling season, reducing costs and overall timelines to completion of a PFS (through the elimination of costs and work related to the preparation of an updated PEA). Considerable progress has been made in respect of achieving these objectives, as discussed below.

In addition, Midas Gold is focusing its efforts on the most robust project options, including the best grade, best metallurgical performance, lowest strip ratio mineral resources that provide the optimal potential economic returns in a variety of gold price environments. Midas Gold believes that demonstrating potential to be a large, low cost, low risk gold producer, located in the United States, is what will make the Golden Meadows project stand out. Midas Gold also continues to evaluate the technical risks associated with all aspects of any potential project and is focused on outcomes that minimize and mitigate potential risks. Thirdly, Midas Gold is evaluating a variety of project options in



light of their potential environmental footprint, opportunities for the remediation and reclamation of legacy disturbance from historic mining activity, and the long term closure scenarios that would result in the site being left in a significantly better environmental condition than the current situation. These financial, technical and environmental considerations are driving Midas Gold's approach to the PFS. The net outcome of this approach should be an overall more robust, sustainable and supportable project than that contemplated in the PEA.

### ***Project Optimization***

In 2012, Midas Gold completed a preliminary economic assessment (the "2012 PEA"), which defined one possible option for the potential future development of the Golden Meadows project in the historic Stibnite mining district of Idaho. The 2012 PEA also identified additional information required in order to further advance the project, identified possible alternatives for the potential project, and provided a basis for discussions with local communities, Native American Tribes, State, Federal and local governments, regulators, NGOs and other potential stakeholders in respect of potential project options. As noted above, all aspects of the project are being reviewed with a focus on financial, technical and environmental outcomes, including designing for project closure and management of water quality. No project can be proposed until this additional work is completed, analyzed, incorporated into further studies and a determination made that there is a reasonably permissible project with sufficient economic returns to justify proceeding to the next stages.

Key areas of attention include the following:

1. **Mineral Resource Estimation** – In addition to more than 35km of new drilling completed by Midas Gold since the date of the last mineral resource estimates, Midas Gold recovered a significant amount of additional data generated by prior operators of the project, including additional drilling, assay, survey and geological information. Evaluation of all of this new data is allowing Midas Gold to prepare more detailed geological models and more constrained mineral resource estimates for the entire project. After evaluation of this new data in light of the objective of completing a PFS (which includes mineral reserves), Midas Gold has introduced new mineral resource parameters such as requiring a certain influence of either (a) Midas Gold drill data or (b) other modern era (1970s-1990s) drill data in order to define a measured or indicated mineral resource, respectively. Incorporation of these and other new parameters has resulted in the need for some additional drilling to add the required component of Midas Gold data in areas dominated by older information. The current 5,000+m drilling program is designed to provide additional drillhole information in these areas and to meet the standards appropriate for the definition of mineral reserves in a PFS. Overall, the new data collected since the 2012 PEA and the parameters being used to constrain the mineral resource estimates may result in a modest percentage reduction in the aggregate total of the mineral resource estimates (as compared to the 2012 PEA) as a result of eliminating peripheral and/or less certain mineral resources that may or may not have been contained within the 2012 PEA defined pit limits. Since different parameters will be used to define the PFS pit limits, the impact on mineral resources falling within the PFS pits and becoming mineral reserves cannot be determined at this time. However, Midas Gold anticipates a significant conversion of mineral resources from the inferred to measured and indicated categories as compared to the 2012 PEA once all this new data and new parameters are applied.
2. **Mine Plan Optimization** – A financial, technical and environmental review of each of the deposits, based on the 2012 PEA mineral resource estimates, indicated that the extraction of



the higher strip ratio mineral resources in the final phase of the contemplated Hangar Flats pit generated little in the way of incremental net present value (“NPV”) but added significant sustaining capital (including a replacement mining fleet and considerable waste stripping to access these tonnes) and generated a larger environmental footprint in respect of the resulting open pit and waste rock dumps. In addition, areas of the West End deposit defined primarily by cyanide-soluble gold assays with minimal fire assay data, may be removed from the PFS mine plan. These areas are relatively lower margin and were to be mined late in the mine plan set out in the 2012 PEA. Based on the 2012 PEA parameters and mine plan, removal of these areas may have a minimal impact on the project NPV as compared to the 2012 PEA, but could significantly reduce the environmental footprint of the overall project, while enhancing the options for post-closure reclamation and site restoration. Once updated mineral resource estimates are available, incorporating the post-2012 PEA drilling, Midas Gold’s pit optimization will continue to focus on the three core aspects of financial, technical and environmental impacts to design the most viable, supportable and permissible project option, including continued mine plan optimization and potential elimination of mineral resources such as the higher strip ratio Hangar Flats tonnes and portions of the West End deposit which may result in somewhat lower life-of mine potential production as compared to the 2012 PEA, but would be focused on the nearer surface, better grade, lower strip ratio mineralization. The potential of mineralization not included in the PFS can be further evaluated in future studies.

3. **Tailings Reprocessing** – Historic milling operations (based on portions of the Hangar Flats and Yellow Pine deposits mined and milled in the 1920s through 1950s) generated significant volumes of tailings, some of which are contained in a defined area west of the Hangar Flats deposit. There are significant potential environmental benefits to reprocessing such material since a potential source of metals leaching would be eliminated once the majority of contained sulphides are recovered for their contained metals and the reprocessed tailings placed in the contemplated lined tailings storage facility described in the 2012 PEA. Based on assay results for three geotechnical holes completed in 2012, indications were that these tailings may contain sufficient value to warrant reprocessing to recover the gold, silver and antimony contained therein. In order to evaluate the potential for such an option, Midas Gold recently completed a 42-hole auger drill program to systematically assess the volume, grade and nature of the tailings, assays from which are pending. This information will be used, if warranted once assay results are received, to support a mineral resource estimate and metallurgical and environmental testing to support the reprocessing of the tailings in a PFS.
4. **Project Infrastructure Siting** – While the layout proposed in the 2012 PEA represented one conceptual option for siting facilities and infrastructure, a reassessment of the possibilities from a financial, technical and environmental perspective suggests that placing the plant facilities near Scout Ridge would be an improvement in all three respects. This location has a number of benefits, including shallow bedrock for mill foundations, greater distance from waterways, avoidance of forested wetlands, proximity to the centre of mining, etc. As a result, Scout Ridge is now considered the preferred location for the potential mill and related facilities, and is the focus of current technical and environmental assessments. This potential plant location also presents the opportunity for the use of conveyors to move mill feed from the Yellow Pine and West End deposits from a crusher sited near the exits to those pits, reducing potential capital and operating costs, and reducing the environmental impact (through the elimination of major haul roads, bridges, vehicle traffic, dust generation from roads, etc.). Such a location for the



process facilities may impact options for the Scout mineralization discovered in 2012, but may not preclude the underground extraction of relatively shallow, high grade antimony-gold-silver mineralization defined in the Scout area, should a mineral resource be defined and further evaluation demonstrate potential for an attractive economic return.

5. **Closure Planning** – As part of the overall project review, Midas Gold is evaluating the potential for improved reclamation and restoration opportunities, given the considerable disturbance related to past mining activities, and incorporating these into an enhanced closure plan. Opportunities such as tailings reprocessing, reduced waste generation from a smaller Hangar Flats pit, sequential mining to maximize opportunities for backfilling pits and locating infrastructure and facilities in areas already disturbed by prior operations should all result in an improved environmental outcome versus the current situation. A key aspect of the project conceptualization is to enhance water quality, improve fish habitat and support permanent fish passage upstream from the Yellow Pine pit for the first time since the 1930s, reopening significant areas for fish habitat.
6. **Concentrate Oxidation** – While flotation to produce gold-pyrite concentrates remains at the centre of the contemplated processing facility for the potential project, options for the onsite oxidation of the concentrates produced has indicated that bio-oxidation (“BiOx”) may be a preferred alternative due to its potential for lower capital and operating costs, short lead times, scalability, ease of construction and mobilization, greater flexibility in handling variable feeds from the different deposits and potential for a reduced environmental footprint as compared to pressure oxidation (“POx”). Initial testing indicates that the concentrates from all three deposits are amenable to the BiOx process, oxidizing rapidly and providing very high liberation of gold from pyrite (greater than 95%). BiOx also offers the potential for significantly higher recovery of silver from the sulphides that contain the gold, whereas silver recovery following POx was poor. Additional test work continues to further evaluate the potential for BiOx; in the interim, additional testing of pressure oxidation (the base case in the 2012 PEA) has been completed and reporting of results is pending. Additional information on the BiOx and POx test programs will be released once full results of the test programs are available. A final recommendation for the preferred concentrate processing option will be part of the planned PFS.
7. **Secondary Antimony Processing** – Given the potential importance of antimony as a by-product, antimony and gold losses in antimony flotation (a result of efforts to achieve higher antimony concentrate grades for sale to third parties and to minimize gold losses into the antimony concentrates), and the payability on antimony concentrates thus generated, upside exists if Midas Gold is able to generate an antimony product that is directly saleable in the North American market. Midas Gold is making progress in developing options for on-site or off-site processing of antimony concentrates through a comprehensive laboratory testing program, while also evaluating options for recovering the contained silver values in the antimony concentrate. Additional information will be released once the test program is completed.
8. **Access Routes** – In the 2012 PEA, Midas Gold presented three possible alternative routes to site that it believed were preferable (from an environmental and community perspective) to the existing access route. Following publication of the 2012 PEA, Midas Gold contacted various interested parties for their input into these options and additional access route options were suggested by community members and evaluated by Midas Gold. One of the options suggested by community members has a number of financial, technical and environmental benefits



relative to the originally contemplated routes and is now being evaluated as the potential preferred route for inclusion in the planned PFS.

### ***Drilling***

Midas Gold has had two core rigs drilling on site since mid-August, replacing an auger rig that recently completed characterization work in and around the former mill tailings area and foundation testing for potential future infrastructure. The objective of the current 5,000+m core drilling program is to continue to convert mineral resources to the measured and indicated categories suitable for inclusion in the planned PFS, particularly in light of the new more conservative resource modeling parameters introduced, as noted above. The primary focus for this drilling continues to be Yellow Pine deposit, which had the highest grades, lowest strip ratio and best metallurgical recoveries of the three deposits that comprise the Golden Meadows project, as described in the 2012 PEA. In the 2012 PEA, the Yellow Pine deposit also had the highest proportion of inferred mineral resources that required upgrading to measured and indicated categories before inclusion in the PFS. In addition to drilling at Yellow Pine, three holes have already been completed at the Hangar Flats deposit that were designed to support definition of indicated mineral resources, and several holes are planned for the West End deposit as part of this infill drill campaign.

As discussed above, more conservative refinements to Midas Gold's resource estimation process now require that there be a contribution from modern-era data in order to define a measured or indicated mineral resource, thereby reducing reliance on older data. The current drill program focuses on "high value ounces" in areas with insufficient modern-era data to support the new classification parameters for the definition of measured and/or indicated mineral resources. "High value ounces" are those that have higher grades, lower strip ratios, higher metallurgical recoveries and occur relatively early in the production profile contemplated in the 2012 PEA. Many of the planned holes are relatively short and are located in the core of the Yellow Pine mineral resource, and are therefore critical to defining the potential economic returns of any future project since these areas provided the highest NPV in the 2012 PEA. Given the location of the planned holes, in the core of the Yellow Pine deposit, several will be completed with large diameter (PQ) core in order to collect sufficient metallurgical sample material to support potential future pilot plant testing. Lower priority areas (that do not meet the threshold to be defined as "high value ounces") can be re-evaluated in future studies, once additional drilling is completed.

### ***Project Milestones***

As discussed above, Golden Meadows Project optimization and design continues to progress beyond the PEA phase, with a focus on trade-off studies to evaluate optimal mine design and closure planning, alternate process flow-sheets, optimal project scale, facilities locations, access and power options, related capital and operating cost estimates, and staging of the project development to optimize the overall potential project economics and permitability. In addition, extensive post-2012 PEA metallurgical testing is well advanced, and is focused on refining and optimizing the excellent results outlined in the 2012 PEA, including enhancing gold, silver and antimony recoveries, the possibility for tungsten recovery and other opportunities for enhanced outcomes.

No additional drilling, beyond the inclusion of the three Hangar Flats holes and 42 tailings auger holes noted above, are contemplated for Hangar Flats, Scout or the historic tailings before completion of the



PFS and mineral resource estimates incorporating this information should be completed later in 2013. The mineral resource estimates for West End and Yellow Pine should be updated in early 2014 to incorporate the results of the 5,000+m of core drilling program currently underway. The various trade-off studies, siting studies, pit optimizations, metallurgical test results, reclamation and closure planning, and other financial, technical and environmental considerations will be evaluated in the PFS that is scheduled for completion in the first half of 2014. In parallel with these activities, environmental baseline data collection and monitoring continues across the project area. The PFS, along with the additional information being collected, will provide the basis for a decision as to what subsequent steps should be taken to further advance the project.

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**Compliance with NI43-101**

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 (“NI43-101”) and reviewed and approved by Stephen P. Quin, P. Geo., President and CEO of Midas Gold Corp., and a Qualified Person. The exploration activities at Golden Meadows were carried out under the supervision of Richard Moses, C.P.G., Qualified Person and Site Operations Manager for the Golden Meadows Project.

**About Midas Gold and the Golden Meadows Project**

Midas Gold Corp., through its wholly owned subsidiaries including Midas Gold Inc. and Idaho Gold Resources, LLC, is focused on the exploration and, if warranted, development of deposits in the Stibnite-Yellow Pine district of central Idaho. The principal gold deposits identified to date within the Project are the Hangar Flats, West End and Yellow Pine deposits, all of which are associated with important structural corridors. Independent mineral resource estimates were reported for all three deposits in a news release dated June 27, 2012 and are detailed in a consolidated technical report entitled “*Preliminary Economic Assessment Technical Report for the Golden Meadows Project, Idaho*” dated August 15, 2012, (the “**Technical Report**”) is available on Midas Gold’s website at [www.midasgoldcorp.com](http://www.midasgoldcorp.com) or under Midas Gold’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). This Preliminary Economic Assessment outlines a concept for the development of a large scale, long life, low cost open pit gold mining operation producing gold and by-product antimony based on the estimated mineral resource, as well as outlining a number of opportunities for potential enhancement of the conceptual project.

**Forward-Looking Statements**

Statements contained in this news release that are not historical facts are “forward-looking information” or “forward-looking statements” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian securities legislation and the United States *Private Securities Litigation Reform Act* of 1995. Forward Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future exploration activities on the Corporation’s properties; success of exploration activities; permitting time lines and requirements, requirements for additional capital, requirements for additional water rights and the potential effect of proposed notices of environmental conditions relating to mineral claims; planned exploration and development of properties and the results thereof; planned expenditures and budgets and the execution thereof. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “suggest”, “optimize”, “estimates”, “forecasts”, “intends”, “anticipates”, “potential” or “does not anticipate”, “believes”, “anomalous”, “conceptual”, “indicates” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that may be encountered if the Golden Meadows Project is developed. In making the forward-looking statements in this news release, the Corporation has applied several material assumptions, including, but not limited to, that the current exploration and other objectives concerning the Golden Meadows Project can be achieved and that its other corporate activities will proceed as expected; that the current price and demand for gold will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration on the Golden Meadows Project will be obtained in a timely manner and on acceptable terms; the continuity of the price of gold and other metals, economic and political conditions and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements



expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks related to the availability of financing on commercially reasonable terms and the expected use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; changes in estimated mineral resources; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mineral exploration industry; environmental risks, including environmental matters under U.S. federal and Idaho rules and regulations; impact of environmental remediation requirements and the terms of existing and potential consent decrees on the Corporation's planned exploration on the Golden Meadows Project; certainty of mineral title; community relations; delays in obtaining governmental approvals or financing; fluctuations in mineral prices; the Corporation's dependence on one mineral project; the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits; the Corporation's lack of operating revenues; governmental regulations and the ability to obtain necessary licenses and permits; risks related to mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; currency fluctuations; changes in environmental laws and regulations and changes in the application of standards pursuant to existing laws and regulations which may increase costs of doing business and restrict operations; risks related to dependence on key personnel; and estimates used in financial statements proving to be incorrect; as well as those factors discussed in the Corporation's public disclosure record. Although the Corporation has attempted to identify important factors that could affect the Corporation and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information.

Except as required by law, the Corporation does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.