



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**
(expressed in US Dollars)

Midas Gold Corp.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION****As at September 30, 2020 and December 31, 2019****(Expressed in US dollars)**

	<u>Notes</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 33,997,059	\$ 17,504,622
Receivables		85,464	123,576
Prepaid expenses		458,384	782,416
		<u>\$ 34,540,907</u>	<u>\$ 18,410,614</u>
NON-CURRENT ASSETS			
Buildings and equipment		\$ 210,873	\$ 247,103
Right-of-use assets	3	283,186	423,774
Exploration and evaluation assets	4	71,673,839	71,423,369
		<u>\$ 72,167,898</u>	<u>\$ 72,094,246</u>
TOTAL ASSETS		<u>\$ 106,708,805</u>	<u>\$ 90,504,860</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		\$ 4,410,731	\$ 4,228,719
Warrant derivative ⁽ⁱ⁾	5	1,016,010	274,723
Lease liabilities	3	194,058	178,294
		<u>\$ 5,620,799</u>	<u>\$ 4,681,736</u>
NON-CURRENT LIABILITIES			
Convertible notes	6	\$ 9,091,855	\$ 27,336,373
Convertible note derivative ⁽ⁱⁱ⁾	7	29,593,361	25,478,212
Non-current lease liabilities	3	115,815	265,563
		<u>\$ 38,801,031</u>	<u>\$ 53,080,148</u>
TOTAL LIABILITIES		<u>\$ 44,421,830</u>	<u>\$ 57,761,884</u>
EQUITY			
Share capital	8	\$ 528,629,002	\$ 283,489,578
Equity reserve	8	25,972,769	25,882,516
Deficit		(492,314,796)	(276,629,118)
TOTAL EQUITY		<u>\$ 62,286,975</u>	<u>\$ 32,742,976</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 106,708,805</u>	<u>\$ 90,504,860</u>

Commitments and contingencies – Notes 3 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 (INCOME)/LOSS AND COMPREHENSIVE (INCOME)LOSS**

For the three and nine months ended September 30, 2020 and 2019

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

	Notes	Three Months Ended		Nine Months Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
EXPENSES					
Consulting		\$ 15,341	\$ 59,780	\$ 24,347	\$ 98,423
Corporate salaries and benefits		187,747	145,142	606,429	593,422
Depreciation		69,659	60,317	215,614	185,520
Directors' fees		41,131	34,376	125,749	96,790
Exploration and evaluation	9	6,573,776	7,357,290	18,848,974	19,098,073
Office and administrative		36,193	40,560	91,295	96,022
Professional fees		88,170	38,415	194,497	185,298
Share based compensation	8	417,725	359,886	1,305,590	1,501,359
Shareholder and regulatory		146,554	36,434	312,038	270,224
Travel and related costs		455	55,973	29,304	170,409
OPERATING LOSS		<u>\$ 7,576,751</u>	<u>\$ 8,188,174</u>	<u>\$ 21,753,837</u>	<u>\$ 22,295,541</u>
OTHER EXPENSES/(INCOME)					
Change in fair value of warrant derivative ⁽ⁱ⁾	5	\$ 702,243	\$ (28,011)	\$ 741,287	\$ (352,238)
Change in fair value of convertible note derivative ⁽ⁱⁱ⁾	7	153,708,326	(2,944,310)	183,965,145	(25,581,693)
Finance costs	10	894,765	689,766	3,137,316	1,998,126
Foreign exchange loss/(gain)		8,397,630	(609,150)	6,321,492	1,892,579
Gain on sale of building and equipment		-	(18,500)	-	(18,500)
Interest income		(61,640)	(159,170)	(233,401)	(443,251)
Total other expenses/(income)		<u>\$ 163,641,324</u>	<u>\$ (3,069,375)</u>	<u>\$ 193,931,839</u>	<u>\$ (22,504,977)</u>
NET LOSS/(INCOME) AND COMPREHENSIVE LOSS/(INCOME)		<u>\$ 171,218,075</u>	<u>\$ 5,118,799</u>	<u>\$ 215,685,676</u>	<u>\$ (209,436)</u>
NET LOSS/(INCOME) PER SHARE, BASIC AND DILUTED		<u>\$ 0.49</u>	<u>\$ 0.02</u>	<u>\$ 0.72</u>	<u>\$ (0.00)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		<u>349,655,134</u>	<u>270,481,773</u>	<u>297,800,103</u>	<u>249,196,193</u>

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, 2020 and 2019

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

	Note	Share Capital		Equity Reserve	Deficit	Total
		Shares	Amount			
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		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		<u>270,481,773</u>	<u>\$ 283,156,807</u>	<u>\$ 25,600,586</u>	<u>\$ (265,119,797)</u>	<u>\$ 43,637,595</u>
BALANCE, January 1, 2020		271,125,496	\$ 283,489,578	\$ 25,882,517	\$ (276,629,120)	\$ 32,742,975
Share based compensation	8	-	-	1,232,723	-	1,232,723
Shares issued upon conversion of Convertible Notes	8	199,692,804	242,142,800	-	-	242,142,800
Share issue cost	8	-	(22,148)	-	-	(22,148)
Shares issued through Stock Appreciation Rights	8	148,862	149,875	(77,009)	-	72,866
Exercise of options	8	3,745,250	2,868,897	(1,065,462)	-	1,803,435
Net loss and comprehensive loss for the period		-	-	-	(215,685,676)	(215,685,676)
BALANCE, September 30, 2020		<u>474,712,412</u>	<u>\$ 528,629,002</u>	<u>\$ 25,972,769</u>	<u>\$ (492,314,796)</u>	<u>\$ 62,286,975</u>

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three and nine months ended September 30, 2020 and 2019
(Expressed in US dollars)

	Notes	Three Months Ended		Nine Months Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
OPERATING ACTIVITIES:					
Net (loss)/income		\$ (171,218,075)	\$ (5,118,799)	\$ (215,685,676)	\$ 209,436
Adjustments for:					
Share based compensation	8	346,632	359,886	1,232,723	1,526,123
Share based payments	8	-	-	-	877,500
Depreciation		69,659	60,317	215,614	185,520
Accretion and interest expense	6,10	894,765	689,766	2,913,106	1,998,126
Finance cost deducted as share issue cost		-	-	224,210	-
Gain on disposal of buildings and equipment		-	(18,500)	-	(18,500)
Change in fair value of warrant derivative	5	702,243	(28,011)	741,287	(352,238)
Change in fair value of convertible note derivative	7	153,708,326	(2,944,310)	183,965,145	(25,581,693)
Unrealized foreign exchange (gain)/loss		8,458,716	(587,511)	6,448,397	1,983,044
Interest income		(61,640)	(159,170)	(233,401)	(443,251)
Changes in:					
Receivables		(10,784)	227,169	1,999	189,333
Prepaid expenses		125,866	211,756	324,031	(76,574)
Trade and other payables		756,930	806,542	(18,605)	1,053,949
Net cash used in operating activities		\$ (6,227,362)	\$ (6,500,865)	\$ (19,871,170)	\$ (18,449,225)
INVESTING ACTIVITIES:					
Investment in exploration and evaluation assets		\$ (250,470)	\$ (250,486)	\$ (250,470)	\$ (250,486)
Purchase of buildings and equipment		(38,796)	-	(38,796)	(20,456)
Sale of buildings and equipment		-	18,500	-	18,500
Interest received		46,594	(151,151)	269,515	374,230
Net cash (used in)/provided by investing activities		\$ (242,672)	\$ (383,137)	\$ (19,751)	\$ 121,788
FINANCING ACTIVITIES:					
Proceeds of issuance of Convertible Notes	6	-	-	35,000,000	-
Payment of transaction costs on issuance of Convertible Notes	8	-	-	(237,170)	-
Proceeds from issuance of common shares through financing	8	-	-	-	14,929,176
Payment of transaction costs on issuance of common shares through financing	8	(22,148)	-	(22,148)	(844,832)
Proceeds from issuance of common shares through exercise of options		1,718,552	-	1,876,302	279,117
Interest paid on Convertible Notes	6	(14,169)	-	(32,521)	(18,727)
Payment of lease liabilities		(51,223)	(28,378)	(161,340)	(48,171)
Net cash (used in)/provided by financing activities		\$ 1,631,012	\$ (28,378)	\$ 36,423,123	\$ 14,296,563
Effect of foreign exchange on cash and cash equivalents		(28,566)	(33,056)	(39,765)	26,967
Net (decrease)/increase in cash and cash equivalents		(4,867,588)	(6,945,434)	16,492,437	(4,003,907)
Cash and cash equivalents, beginning of period		38,864,647	32,828,086	17,504,622	29,886,558
Cash and cash equivalents, end of period		\$ 33,997,059	\$ 25,882,651	\$ 33,997,059	\$ 25,882,651
Cash		\$ 1,722,440	\$ 1,979,075	\$ 1,722,440	\$ 1,979,075
Investment savings		12,073,310	5,635,279	12,073,310	5,635,279
GIC and term deposits		20,201,309	18,268,297	20,201,309	18,268,297
Total cash and cash equivalents		\$ 33,997,059	\$ 25,882,651	\$ 33,997,059	\$ 25,882,651

Midas Gold Corp.
Notes to Condensed Consolidated Interim Financial Statements
For the nine and three months ended September 30, 2020 and 2019
(Expressed in US dollars)

1. Nature of Operations

Midas Gold Corp. (the “Corporation” or “Midas Gold”) was incorporated on February 22, 2011 under the Business Corporations Act of British Columbia. The Corporation was organized to hold shares in wholly owned subsidiaries that 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 100% ownership in subsidiaries that control 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 as issued by the International Accounting Standards Board (“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, 2019.

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, 2019.

These condensed consolidated interim financial statements for the nine-month periods ended September 30, 2020 and 2019 were approved and authorized for issue by the board of directors on November 9, 2020.

3. Leases

The Corporation leases building space for the Corporate office in Vancouver, BC, and for the U.S. subsidiaries in Donnelly, ID and Boise, ID and has identified these leases to have right-of-use (“ROU”) assets. As at September 30, 2020, 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, 2020	\$	423,774
Additions		-
Depreciation charge for the period		(140,588)
Balance, September 30, 2020	\$	283,186

Midas Gold Corp.**Notes to Condensed Consolidated Interim Financial Statements****For the nine and three months ended September 30, 2020 and 2019****(Expressed in US dollars)****3. Leases (continued)***Lease Liabilities*

	September 30, 2020
Maturity analysis – contractual undiscounted cash flows	
Less than one year	\$ 214,551
One to five years	119,432
Total undiscounted lease liabilities at September 30, 2020	\$ 333,983
Lease liabilities included in the statement of financial position at September 30, 2020	
Current	194,058
Non-Current	115,815

Amounts recognized in profit and loss

	September 30, 2020
Depreciation expense of ROU assets	\$ (140,588)
Expenses relating to short-term leases	(30,213)
Expenses relating to leases of low-value assets	(9,594)
Interest on lease liabilities	(27,356)

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, 2020
Total payments on lease liability	\$ (161,340)
Principal on leases	(133,984)
Interest expense	(27,356)

4. Exploration and Evaluation Assets

At September 30, 2020 and December 31, 2019, the Corporation's exploration and evaluation assets at the Stibnite Gold Project were as follows:

	December 31, 2019	Additions	September 30, 2020
Acquisition Costs			
Interest on notes payable	\$ 116,546	\$ -	\$ 116,546
Mineral claims	83,828,533	250,470	84,079,003
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	\$ 71,423,369	\$ 250,470	\$ 71,673,839

Midas Gold Corp.
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(Expressed in US dollars)

4. Exploration and Evaluation Assets (continued)

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

	December 31, 2018	Additions	December 31, 2019
Acquisition Costs			
Interest on notes payable	\$ 116,546	\$ -	\$ 116,546
Mineral claims	83,538,047	290,486	83,828,533
Royalty interest	1,026,750	-	1,026,750
Sale of royalty interest	(13,548,460)	-	(13,548,460)
Balance	\$ 71,132,883	\$ 290,486	\$ 71,423,369

Summary

The Corporation's subsidiaries acquired mineral rights to the Stibnite Gold Project through several transactions. All mineral rights held by the Corporation's subsidiaries 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 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, 2020, \$870,000 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.

Midas Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the nine and three months ended September 30, 2020 and 2019

(Expressed in US dollars)

5. Warrant Derivative (continued)

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 consolidated statement of net loss/(income) and comprehensive loss/(income). 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/(income) and comprehensive loss/(income). 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, 2019	\$	274,723
Change in fair value of warrant derivative		741,287
Balance, September 30, 2020	\$	1,016,010

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, 2020	December 31, 2019
Share price	C\$1.38	C\$0.63
Exercise price	C\$1.23	C\$1.23
Expected term (in years)	2.6	3.4
Expected share price volatility	76%	65%
Annual rate of quarterly dividends	0%	0%
Risk-free interest rate	0.25	1.7%

6. Convertible Notes

On March 17, 2016, the Corporation issued unsecured convertible notes (the "2016 Notes") for gross proceeds of \$38.5 (C\$50.0) million and a maturity date of March 17, 2023. On March 17, 2020, the Corporation issued a second round of unsecured convertible notes (the "2020 Notes") for gross proceeds of \$35.0 (C\$47.6) million and a maturity date of March 17, 2027. Both sets of notes, collectively the "Convertible Notes", have identical features and 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. Upon maturity, and for each set of notes, the outstanding principal amount 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 for the 2016 Notes and a price of C\$0.4655 for the 2020 Notes. If there is an equity financing completed at 95% of the conversion price, 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 volume weighted average trading price for 20 consecutive trading days of C\$0.7082 or higher

Midas Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements

For the nine and three months ended September 30, 2020 and 2019

(Expressed in US dollars)

6. Convertible Notes (continued)

for the 2016 Notes and C\$0.931 or higher for the 2020 Notes. 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.

The terms for the 2020 Notes were announced on March 10, 2020, for gross proceeds of \$35.0 million at a USD:CAD exchange rate of 1:1.36 (C\$47.6 million due and payable upon maturity). The 2020 Notes were issued on March 17, 2020, with a USD:CAD exchange rate of 1:1.42; this movement resulted in a foreign exchange gain on the date of issuance.

Each set of Convertible Notes are deemed to contain an embedded derivative (collectively, the “Convertible Note Derivatives”) relating to the conversion option. The Convertible Note Derivatives were valued upon initial recognition at fair value using partial differential equation methods. At inception, for each set of notes, the face value of the notes was reduced by the estimated fair value of the related convertible note derivative and the transaction costs. See below for additional detail of initial value upon issuance of each set of notes:

		2020 Notes		2016 Notes
Gross proceeds upon issuance	\$	35,000,000	\$	38,508,431
Foreign exchange gain		(1,419,753)		-
Face value of convertible note	\$	33,580,247	\$	38,508,431
Estimated fair value of embedded derivative		(17,197,994)		(19,771,572)
Transaction costs		(213,575)		(429,723)
Convertible note liability, net	\$	16,168,678	\$	18,307,136

During the current quarter, on August 26, 2020, convertible notes in the aggregate principal amount of C\$82,102,500 (C\$34,502,500 of the 2016 Notes and C\$47,600,000 for all 2020 Notes), were converted for 199,692,804 common shares of Midas Gold. The remaining 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 remaining 2016 Notes at maturity is \$11.6 million (C\$15.4 million) based on the exchange rate at September 30, 2020 (2019 - \$37.7 million (C\$49.9 million)).

During March 2020, the fourth annual interest payment was made to the 2016 Note holders in cash, in the amount of \$18,353 (2019 - \$18,727). During the current quarter, pro-rated interest payments were made to Note holders of the converted Notes, in cash, in the amount of \$14,169.

The components of the Convertible Notes are summarized as follows, including conversion related activity up to and on August 26, 2020:

Midas Gold Corp.**Notes to Condensed Consolidated Interim Financial Statements****For the nine and three months ended September 30, 2020 and 2019****(Expressed in US dollars)****6. Convertible Notes (continued)**

	Convertible Notes
Balance, December 31, 2019	\$ 27,336,373
Additions	16,168,678
Accretion and interest expense	2,807,220
Interest payments	(18,353)
Foreign exchange adjustments	1,407,245
Balance, August 26, 2020	\$ 47,701,163
Conversions	(38,674,790)
Pro-rated interest payments on converted notes	(14,169)
Accretion and interest expense on remaining notes	78,530
Foreign exchange adjustments on remaining notes	1,121
Balance, September 30, 2020	\$ 9,091,855

7. Convertible Note Derivative

Convertible Note Derivatives related to each set of Convertible Notes (Note 6) were valued upon initial recognition at fair value using partial differential equation methods and are subsequently re-measured at fair value at each period end through the consolidated statement of net loss and comprehensive loss. The convertible note derivative related to the 2016 Notes (the "2016 Derivative") had an initial fair value of \$19.8 million. The convertible note derivative related to the 2020 Notes (the "2020 Derivative") had an initial fair value of \$17.2 million. The components of the derivatives, collectively the "Convertible Note Derivatives", are summarized as follows and include activity related to the note conversions as discussed above in Note 6:

	Convertible Note Derivative
Balance, December 31, 2019	\$ 25,478,212
Additions	17,197,994
Fair value adjustment	199,614,838
Foreign exchange adjustments	7,421,629
Balance, August 26, 2020	\$ 249,712,673
Conversions	(203,468,010)
Fair value adjustment	(15,649,693)
Foreign exchange adjustments	(1,001,609)
Balance, September 30, 2020	\$ 29,593,361

Upon conversion of the remaining Convertible Notes, the fair value of the Convertible Note Derivatives and the carrying value of the Convertible Notes, on that date, 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 Derivatives at the conversion date is considered to be the intrinsic value, which is the share price on the date of conversion minus the conversion price. The fair value of the remaining Convertible Note Derivative was calculated using partial differential equation methods. The assumptions used in the valuation model include the following, with a change in share price having the most significant impact on the valuation:

Midas Gold Corp.
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(Expressed in US dollars)

7. Convertible Note Derivative (continued)

2016 Derivative	September 30, 2020	December 31, 2019
Risk-free interest rate	0.3%	1.7%
Expected term (in years)	2.5	3.2
Share Price	C\$1.38	C\$0.63
Credit Spread	10%	10%
Implied discount on share price	21% - 9%	37% - 26%
Expected share price volatility	73%	58%
2020 Derivative	September 30, 2020	March 17, 2020
Risk-free interest rate	-	0.9%
Expected term (in years)	-	7
Share Price	-	C\$0.41
Credit Spread	-	10%
Implied discount on share price	-	21% - 9%
Expected share price volatility	-	60%

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. 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, 2019 and nine months ended September 30, 2020 is as follows:

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8. Share Capital (continued)

	Number of Options	Weighted Average Exercise Price (C\$)
Balance, December 31, 2018	16,684,075	\$ 0.70
Options granted	5,760,000	0.87
Options expired	(543,375)	0.70
Options terminated via SAR	(787,500)	0.54
Options exercised	(1,386,950)	0.49
Balance December 31, 2019	19,726,250	\$ 0.77
Options granted	4,425,000	0.57
Options expired	(201,250)	0.54
Options terminated via SAR	(305,000)	0.58
Options exercised	(3,745,250)	0.65
Balance, September 30, 2020	19,899,750	\$ 0.74

The number of outstanding options represents 4.2% of the issued and outstanding shares at September 30, 2020. During the three and nine months ended September 30, 2020, the Corporation's total share-based compensation was \$417,725 and \$1,305,590, respectively (2019 - \$359,886 and \$1,501,359, respectively). This is comprised of \$346,632 and \$1,232,723, respectively, in periodic stock based compensation related to options granted (2019 - \$359,886 and \$1,526,123, respectively) and \$71,094 and \$72,866, respectively, related to SAR activity (2019 – nil and (\$24,764)).

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, 2020	September 30, 2019
Fair value of options granted	\$0.32	\$0.60
Risk-free interest rate	1.4%	1.8%
Expected term (in years)	5.0	5.0
Expected share price volatility	65%	64%
Expected dividend yield	-	-
Expected forfeiture	5%	5%

An analysis of outstanding share purchase options as at September 30, 2020 is as follows:

Range of Exercise Prices (C\$)	Options Outstanding			Options Exercisable		
	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 - \$0.44	1,625,500	\$0.37	2.8	913,000	\$0.34	1.4
\$0.59 - \$0.72	8,264,250	\$0.62	3.3	4,000,125	\$0.62	2.5
\$0.82 - \$0.89	4,283,750	\$0.89	1.5	4,138,750	\$0.89	1.4
\$0.91 - \$0.98	5,726,250	\$0.96	3.0	2,259,375	\$0.97	3.2
\$0.31 - \$0.98	19,899,750	\$0.74	2.8	11,311,250	\$0.77	2.1

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Notes to Condensed Consolidated Interim Financial Statements For the nine and three months ended September 30, 2020 and 2019 (Expressed in US dollars)

8. Share Capital (continued)

c. Warrants

There was a total of 2,000,000 warrants outstanding as of both December 31, 2019 and September 30, 2020.

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, 2020 and 2019 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Exploration and Evaluation Expenditures				
Consulting and labour cost	1,218,927	1,054,379	3,784,097	3,569,996
Field office and drilling support	612,632	800,479	1,466,746	1,661,450
Engineering	450,226	472,350	1,010,819	1,712,251
Permitting ⁽¹⁾	3,647,487	4,334,412	10,881,379	9,249,475
Environmental and reclamation ⁽¹⁾	260,220	256,902	494,111	854,396
Legal and sustainability	384,284	438,768	1,211,821	2,050,505
	\$ 6,573,776	\$ 7,357,290	\$ 18,848,974	\$ 19,098,073

(1) Numbers presented for 2019 comparable periods for Environmental and reclamation were previously included in Permitting in Q1 – Q3 2019 quarterly financial statements. Presented separately in 2019 annual financial statements.

10. Finance Costs

The Corporation's finance costs for the three and nine months ended September 30, 2020 and 2019 were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Finance costs				
Accretion	880,131	677,984	2,865,066	1,969,269
Transaction Costs	-	-	224,210	-
Interest expense on Convertible Notes	6,568	4,781	20,684	14,097
Interest expense on leases	8,066	7,001	27,356	14,760
	\$ 894,765	\$ 689,766	\$ 3,137,316	\$ 1,998,126

11. Financial Instruments

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:

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11. Financial Instruments (continued)

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, 2020 and December 31, 2019, 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, 2020		
	Level 1	Level 2	Level 3
Convertible Note Derivative (Note 7)	\$ -	\$ -	\$ 29,593,361
Warrant Derivative (Note 5)	-	-	1,016,010
	\$ -	\$ -	\$ 30,609,371

	December 31, 2019		
	Level 1	Level 2	Level 3
Convertible Note Derivative (Note 7)	\$ -	\$ -	\$ 25,478,212
Warrant Derivative (Note 5)	-	-	274,723
	\$ -	\$ -	\$ 25,752,935

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, 2020	December 31, 2019
Assets by geographic segment, at cost		
Canada		
Current assets	\$ 33,946,187	\$ 17,487,984
Non-current assets	75,813	103,744
	<u>34,022,000</u>	<u>17,591,728</u>
United States		
Current assets	594,719	922,630
Non-current assets	72,092,086	71,990,502
	<u>72,686,805</u>	<u>72,913,132</u>
	<u>\$ 106,708,805</u>	<u>\$ 90,504,860</u>

13. Commitments

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.

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13. Commitments (continued)

Related to the Mining Claim Assessments is a \$335,000 surety bond associated with 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, 2020, the remaining option payments due on the Cinnabar property are \$80,000, which will be paid over the next two 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 as early as Q3 2021 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 under the Clean Water Act ("CWA") in the United States District Court for the District of Idaho. The suit alleges that Midas Gold Corp. and its related subsidiaries are violating the CWA by failing to secure permits for point source water pollution claimed to be occurring at Midas Gold's Stibnite Gold Project site. The Corporation believes that the case will be ultimately dismissed.

The Corporation filed a motion to dismiss and, in the alternative, a motion to stay the litigation pending conclusion of negotiations with the Environmental Protection Agency ("EPA") on an administrative settlement and order on consent ("ASAOC") under the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), a process that was underway before the plaintiff filed suit. Argument was heard on December 16, 2019 where the motion to dismiss was denied. On January 7, 2020, the Corporation filed its formal answer denying liability for the allegations contained in the complaint, and on January 8, 2020, the motion to stay the litigation was denied by the Federal District Court, but the court invited the Corporation and its related subsidiaries to renew a stay motion if the ASAOC becomes "imminent". A scheduling order was entered February 11, 2020. If the matter proceeds to motions for summary judgment, it is currently scheduled to take place in Q2 2021.

Now entering its third year, the Corporation has been negotiating the ASAOC with the EPA, the United States Forest Service, the Idaho Department of Environmental Quality and the Shoshone-Bannock Tribes that will afford early clean up actions on the Stibnite Gold Project Site. Under CERCLA section 113(h), citizen suits under the CWA are pre-empted from interfering with work covered under an ASAOC. The Federal court has been advised that Midas Gold and the regulatory entities are engaged in efforts to craft an approach under CERCLA that would investigate the water quality and other resource issues on the Stibnite Gold Project Site and thus effectively address the relief sought in the plaintiff's litigation. The ASAOC negotiations are proceeding.