

Support Agreements for Over 50% Received, Existing Shareholders Offering Fully Subscribed

VANCOUVER, BC--(Marketwired - February 29, 2016) - [Midas Gold Corp.](#) (TSX: MAX) (OTCQX: MDRPF) ("Midas Gold" or the "Company") today announced that it has entered into support agreements with existing shareholders representing an aggregate of over 53% of its issued common shares committing to vote in favour of its previously announced proposed offering of Canadian dollar denominated 0.05% senior unsecured convertible notes (the "Notes") to be issued by a wholly owned subsidiary of the Company (the "Issuer") to Paulson & Co. Inc., on behalf of the several investment funds and accounts managed by it ("Paulson") on a private placement basis (the "Note Offering") and concurrent with an offering of Notes to certain of the Company's existing shareholders (the "Existing Shareholder Offering" and, together with the Note Offering, the "Offering") for total gross proceeds of C\$55.2 million.

As disclosed on February 22, 2016, the Notes will have a term of seven years and may be converted into common shares of Midas Gold at a price of C\$0.3541 per share (the "Conversion Price"), subject to adjustment in certain circumstances. The maximum gross proceeds of the Existing Shareholder Offering will be C\$20.7 million, with the Note Offering to comprise the balance of the C\$55.2 million to be raised. The Existing Shareholder Offering will also provide the participating existing shareholders the right to subscribe for common shares of the Company at an issue price of C\$0.3541 per share, being the same as the Conversion Price (the "Common Share Offering") instead of Notes.

The Company currently expects that existing shareholders will participate under the Existing Shareholder Offering to the extent of C\$20.7 million and that, accordingly, Paulson would be entitled to participate to the extent of C\$34.5 million. As a result, post completion of the offering and assuming conversion of 100% of the Notes, Paulson would own approximately 30.76% of the outstanding common shares of Midas Gold.

It is a requirement of the Toronto Stock Exchange (the "TSX") that the Company seek shareholder approval for the Offering and such approval generally must be sought at a duly called meeting of shareholders. However, in light of the significant support shown through the support agreements and, since the Company is able to provide written evidence that existing shareholders holding in excess of 50% of Midas Gold's issued and outstanding common shares (other than insiders participating in the Offering), the Company is proceeding to seek the required shareholder approval to meet TSX requirements by way of written consent rather than at a meeting of shareholders, which is expected to accelerate the timing of the closing of the Offering compared to the expected timeframe if a meeting were required.

Insider Participation

Certain directors and officers of Midas Gold (the "Participating Insiders") have advised that they will participate in the Existing Shareholder Offering to the extent of C\$321,523, comprised of Notes in the aggregate principal amount of C\$172,801 (convertible into up to 488,000 common shares) and 420,000 common shares (for aggregate gross proceeds of C\$148,722). Any such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any shares issued to or the consideration paid by such persons will exceed 25% of the Company's market capitalization. In accordance with the rules of the TSX, Midas Gold will exclude votes attached to the common shares beneficially owned or controlled by the Participating Insiders for the purposes of determining whether shareholder approval of the Offering has been obtained. To the knowledge of Midas Gold, as at the date of this news release, the Participating Insiders beneficially own or exercise control over an aggregate of 2,092,771 common shares (representing approximately 1.3% of the outstanding Midas Gold common shares). Excluding the Participating Insiders, 51.8% of the existing shareholders have provided support agreements.

Dilution Considerations

Assuming a total of C\$55.2 million is raised under the Offering and all of the Notes were converted into common shares, a total of up to 155,899,463 common shares would be issued under the Offering, resulting in the currently issued number of common shares increasing from 160,829,280 common shares to 316,728,743 common shares, of which 97,437,165 common shares would be held by Paulson (representing 30.76% of the then-issued common shares or 37.73% of the then-issued common shares, assuming conversion of only Paulson's Notes into common shares and no common shares being purchased under the Common Share Offering).

In addition to the terms of the Notes and the provisions of the investor rights agreement between the Company and Paulson as described in the Company's news release dated February 22, 2016, the Notes will contain usual anti-dilution provisions which will, among other things, provide the adjustment of the Conversion Price in certain events such as consolidations, subdivisions, stock dividends and other transactions affecting all shareholders as well as the adjustment of the Conversion Price in the event that the Company issues common shares in a public or private offering at a price that is less than 95% of the Conversion Price then in effect, the Conversion Price shall be reduced to a price that takes into account the impact of that financing.

Closing

It is expected that the Offering will close as soon as practicable following receipt of shareholder and regulatory approval which is now expected to be in mid-March 2016.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States unless an exemption from such registration is available.

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 anticipated participation of existing shareholders in the Existing Shareholder Offering and the corresponding participation of Paulson in the Note Offering; the projected level of dilution; and the plans for obtaining shareholder approval, projected timing and plans for completion of the Offering, expected use of proceeds and business objectives. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as "anticipates", "expects", "understanding", "has agreed to" or variations of such words and phrases or statements that certain actions, events or results "would", "occur" or "be achieved". Although Midas Gold has attempted to identify important factors that could affect Midas Gold 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, including, without limitation, the risks and uncertainties related to the Offering not being completed in the event that the conditions precedent thereto are not satisfied; uncertainties related to raising sufficient financing in a timely manner and on acceptable terms. In making the forward-looking statements in this news release, Midas Gold has applied several material assumptions, including the assumptions that (1) the conditions precedent to completion of the Offerings will be fulfilled so as to permit the Offerings to be completed in mid-March 2016; (2) all necessary approvals and consents, including shareholder approval by written consent, in respect of the Offering will be obtained in a timely manner and on acceptable terms; and (3) general business and economic conditions will not change in a materially adverse manner. 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, Midas Gold 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.

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