



## NEWS RELEASE

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### **Midas Gold Update on Pilot-scale Metallurgical Testing for the Stibnite Gold Project, Idaho**

*Successful metallurgical pilot plant runs identify opportunities to make the process flowsheet more robust, more economical, lower technical risk, and more environmentally sound*

**VANCOUVER, BRITISH COLUMBIA – Midas Gold Corp. (TSX:MAX / OTCQX:MDRPF)** today reported on continuing progress in its feasibility-level metallurgical test program for the Stibnite Gold Project (“Project”) located in Idaho, USA. This important component of the Project feasibility study (“FS”) is progressing well and is expected to be concluded in the second quarter of 2018. The work, conducted at several laboratories, is being coordinated by Blue Coast Metallurgy Ltd. (“Blue Coast”) and M3 Engineering and Technology Corp. (“M3”), under the guidance of a team of metallurgical experts working with Midas Gold.

Highlights of the results of metallurgical testing since the completion of the 2014 preliminary feasibility study (“PFS”), all of which should have economic benefits to the Project, include the following:

- A coarser primary grind, reducing energy and grinding media costs;
- Higher gold and antimony concentrate grades;
- Higher overall gold and antimony recoveries;
- Reduced reagent consumption, reducing operating costs; and
- Use of on-site limestone for pH control, significantly reducing the need for trucked-in lime, thereby reducing operating costs. On-site limestone use also increases environmental performance, improves downstream gold recovery and reduces reagent consumption, which provides both environmental and economic benefits.

“Progress with metallurgical testing, including a number of pilot plant runs, has demonstrated potential for improved environmental and economic parameters in the upcoming feasibility study,” said Stephen Quin, President & CEO of Midas Gold Corp. “These test results represent another important milestone in the advancement of the Stibnite Gold Project towards completion of a feasibility study.”

#### ***Previously Reported Progress***

Earlier work, described in a press release dated February 14, 2017, achieved progress in risk reduction in primary grinding design and in reducing projected costs of the flotation process while generally enhancing metallurgical recoveries. Highlights of progress as compared to the PFS reported in that press release included (see February 14, 2017 news release for details):

1. Reduced consumption of flotation reagents, reducing operating costs;
2. Coarsened primary grind (from 75 to 85 microns), reducing energy and grinding media costs; and
3. Improved antimony concentrate grades from 59% to 63-65%, reducing shipping costs and increasing payability.

This update provides information on key advancements made since the February 2017 press release.

### ***Reductions in Concentrate Production***

The majority of capital costs associated with the processing plant for the Stibnite Gold Project are related to the autoclave and associated processes, so a reduction in the tonnage of concentrate into this process can be expected to reduce the size, and hence cost, of that part of the process facilities. Consequently, recent flotation work has developed a cleaner flotation process that reduces the amount of material to be processed through the proposed on-site pressure oxidation and related circuits, while still achieving overall gold recoveries matching or exceeding those reported in the PFS. This work has included batch and pilot plant programs, with the pilot plant performance closely replicating the enhanced metallurgy achieved in batch testing.

### ***Process Enhancements in Pressure Oxidation***

During 2017, significant progress was made in the development of the pressure oxidation and downstream unit processes for the Project, initially confirming work that had been done for the PFS, then exploiting opportunities to make the process more robust and cost effective, and to reduce technical risk. Initial testing, completed in mid-2017, provided the foundation for a successful, 6-day pilot plant campaign in Q4/2017 on flotation concentrate from representative composite samples of Yellow Pine and Hangar Flats material. This program largely supported metallurgical recovery expectations from the PFS and so validated the process as proposed in the PFS.

However, opportunities were identified during this work that have subsequently been shown to enhance the process further. The key process refinement involved incorporating the use of ground limestone in the autoclave to control free acid levels, which offers some key benefits:

- It enhances the environmental stability of the final process products;
- By using limestone mined on-site as a neutralization medium, it substantially reduces the tonnage of lime to be trucked to site, which would reduce operating costs and offsite vehicle traffic;
- It has been demonstrated in testing that the use of limestone improves the ease of downstream processing and potentially reduces cyanide consumption, which would also reduce operating costs; and
- It also makes the metallurgical performance more robust and less susceptible to variations in ore types being mined from the various feed sources in the Project.

Further benefits are likely to be realized from this process enhancement. These are expected to have further positive impacts on Project economics, but at this stage these are not fully quantified. The enhanced process, using ground limestone for pH control, has been extensively tested by both bench-scale and pilot plant testing, and is a proven approach used effectively at other commercial pressure oxidation operations. A variety of feed types from all three deposits have been tested and all were found to respond well to the enhanced process.

### ***Latest Gold Recovery Projections vs Pre-feasibility Study***

Below, the overall recoveries of gold achieved from flowsheet development in the FS are compared with those adopted for the PFS. Note that the final recoveries adopted for the FS may differ from those listed below, depending on results from the variability studies currently underway:

	Low Antimony			High Antimony		
	Yellow Pine	Hangar Flats	West End	Yellow Pine	Hangar Flats	
<b>Flotation recovery</b>						
	<b>FS testing to date</b>					
	- Batch	93.7	91.9	n/a	91.4	91.8
	- Pilot plant	92.3*				
	<b>PFS projection</b>	93.2	91.8	n/a	90.1	87.6
<b>POX-CIL extraction</b>						
	<b>FS testing to date</b>					
	- Batch	97.5	98.0	98.0	97.5	98.0
	- Pilot plant	98.3*				
	<b>PFS projection</b>	97.6	97.0	98.2	97.6	97.0
<b>Overall recoveries (Overall recoveries include assumed 0.8% post-CIL gold loss)</b>						
	<b>FS testing to date</b>					
	- Batch	90.6	89.3	n/a	88.4	89.2
	- Pilot plant	90.0				
	<b>PFS projection</b>	90.2	88.3	n/a	87.2	84.3
Notes:						
* A blend comprising Yellow Pine and Hangar Flats materials was processed in the pilot plant.						
n/a: West End projected recoveries by flotation/POX/CIP recoveries are variable and linked to sulphide content in the feed. Overall recoveries are a blend of direct leaching and flotation/POX/leach and will be determined in the geo-metallurgical exercise later in the study.						

Work is presently focusing on fine-tuning the remaining downstream processes.

### **Geometallurgy and Variability**

The geometallurgical program is advancing in parallel with the hydrometallurgical testing. A first phase, involving diagnostic process testing of the different lithological and alteration ore types, has (not surprisingly) revealed links between ore geology and expected metallurgy. This work has been used to create a suite of samples to be tested as part of the flotation variability program. These samples have been selected to encompass the variability in plant feed types to be expected though the life of the Project. This testing is currently underway and is expected to be complete within three months.

The pressure oxidation variability studies are largely complete, with one more round of tests planned, mostly to provide samples for environmental testing of the combined (flotation and leach) process tailings.

Details of the previous news releases, the Project and the 2014 Preliminary Feasibility Study can be found filed under Midas Gold's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) or at [www.midasgoldcorp.com](http://www.midasgoldcorp.com).

### **Management Changes**

At the end of February, 2018, Midas Gold's Chief Operating Officer, Bob Barnes will be retiring from his executive position. Nevertheless, Mr. Barnes will continue to serve on the Board of Directors of Midas Gold Idaho, Inc. in a non-executive function, with continued emphasis on environmental compliance and safety. During his six plus years with the Company, Bob has played a leadership role as the Stibnite Gold Project has transitioned from exploration through PEA and PFS and has particularly left his mark on the safety and environmental compliance aspects of site activities, where there was only one lost time incident in five years of drilling and other site activities, and six years without a recordable environmental incident.

Also at the end of February, Rocky Chase, Midas Gold's Vice President of Environment and Sustainability will be departing the Company. During more than five years with the Company, Mr. Chase focused on environmental compliance, baseline environmental data collection, permit application preparation and many other tasks integral to the advancement of the Stibnite Gold Project into the regulatory process.

Midas Gold thanks both Mr. Barnes and Mr. Chase for their contributions to the Company over a number of years and wishes them the best in their future.

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***Compliance with National Instrument 43-101***

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 metallurgical testing program for the Stibnite Gold Project was carried out under the supervision of Christopher Martin, MIMMM, C. Eng., a Qualified Person and Principal Metallurgist for Blue Coast Metallurgy Ltd.

***About Midas Gold***

Midas Gold Corp., through its wholly owned subsidiaries Midas Gold Idaho, Inc., Idaho Gold Resources, LLC and Stibnite Gold Company, is focused on the exploration and, if warranted, development of deposits in the Stibnite-Yellow Pine district of central Idaho that comprise the Stibnite Gold Project. 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, as well as a mineral resource contained in Historic Tailings.

***Forward-Looking Information***

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 including actions taken with the goal of improving, expanding and de-risking previously defined mineral resources; the timing and availability of future drill results; the potential for antimony production from the Project; the anticipated completion of a feasibility study and filing of a NI 43-101 technical report in conjunction therewith; potential sites for additional drilling that could result in potential improved confidence, enhanced economic returns and/or extending higher grade areas. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as

“once”, “estimates”, “potential”, “opportunities”, “confirm”, “if” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” “be achieved”. In preparing the Forward-Looking Information in this news release, Midas Gold Corp. (the “Corporation”) has applied several material assumptions, including, but not limited to, that pending drill results will be available in a timely manner without undue delay; that areas identified as potential sites for additional drilling will yield results consistent with management’s expectations based on the 2014 PFS; any additional financing needed will be available on reasonable terms; the exchange rates for the U.S. and Canadian currencies will be consistent with the Corporation’s expectations; that the current objectives concerning the Stibnite Gold 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 activities on the Stibnite Gold 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, the industry-wide risks and project-specific risks identified in the 2014 PFS and summarized above; risks related to the availability of financing on commercially reasonable terms; operations and contractual obligations; changes in exploration programs based upon results of exploration, including drill results; changes in estimated mineral reserves or 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 US 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 and development activities on the Stibnite Gold 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.