

2 MIDAS GOLD'S CORE VALUES

We at Midas Gold consider the health and safety of people, the protection of the environment and the sustainability of our activities to be the core values that drive all aspects of our activities. This foundation of core values is reflected in our commitments to safety, environmental responsibility, community, accountability, integrity and transparency that are set out in our policies below; the training of our employees so that they understand and appreciate these core values; and our performance as measured by achievement of our goals.

Our commitment to our core values can be summarized as follows:

- **Safety** - The health and safety of our employees, contractors and the public is of the utmost importance.
- **Environmental Responsibility** - We go above and beyond what is required; we find practical solutions to manage growth while protecting and enhancing the natural environment.
- **Community Involvement** - As a proud part of the community, we actively strive to serve the community's needs, to collectively enhance prosperity and well-being.
- **Transparency** - We fulfill our commitments in an open and transparent manner. We aim to be accurate, consistent and straightforward in all information delivered to our stakeholders.
- **Accountability** - As part of our governance, we ensure that accountability guides all of our actions, decisions, conduct and reporting.
- **Integrity & Performance** - We hold ourselves to high moral standards and strive to fulfill our commitments in an effective and sustainable manner.

In aligning the Project with our core values, Midas Gold has adopted the following guiding **conservation** principles for the Project:

- Conduct restoration, mining, milling and reclamation activities in an environmentally responsible manner;
- Locate Project infrastructure on previously disturbed areas wherever practicable;
- Design and construct facilities to minimize impacts to aquatic and terrestrial wildlife, improve habitat across the Project site, and protect anadromous and local aquatic populations;
- Protect and improve local surface water and groundwater quality; and,
- Repair, relocate, or construct new ecologically diverse stream channels and wetlands to mitigate those disturbed by legacy and new mine development.

Additional details of how Midas Gold fulfills our commitment to our core values are set out in the balance of this section and elsewhere in this PRO.

2.1 HEALTH & SAFETY POLICIES

Since its formation, and in order to align with our core values, Midas Gold has established safety principles that are reflected in rigorous policies and standard operating procedures (**SOPs**) on site for the protection of the health and safety of people working at the Project and the public.

These principles, and the resulting policies and SOPs, will continue to be refined and developed as the Project advances, reflecting the Project's various phases (pre-construction, clean-up and construction,

operations, closure and reclamation, and monitoring). Midas Gold's current Health and Safety Policy is set out below; as noted, this Policy will continue to be developed and refined as the Project advances.

"Midas Gold believes that the health and safety of its employees is fundamental to the operation of its business. Work-related injury or illness is unacceptable and Midas Gold is committed to the identification, elimination or control of workplace hazards for the protection of all employees. The goal is to have zero lost time accidents. Midas Gold is committed to implementing operational improvements that offer superior safety and occupational health management.

For Midas Gold to succeed in fulfilling this policy, all employees must undertake their work in accordance with Midas Gold's policies to the best of their ability and to take all reasonable care for their own safety and health, as well as the health and safety of their work colleagues.

In order to achieve these objectives, Midas Gold is committed to:

- *Providing the expertise and resources needed to maintain safe and healthy work environments.*
- *Promote occupational Health and Safety awareness so that it is always at the forefront of daily operations.*
- *Establishing clearly defined safety and occupational health programs.*
- *Measuring safety and health performance, and making improvements as warranted.*
- *Operating in accordance with recognized industry standards, while complying with local and international applicable regulations and laws.*
- *Investigating the causes of accidents and incidents, and developing effective and immediate preventative and remedial action.*
- *Training employees to carry out their jobs safely and productively. No employee will be permitted to commence a job without the requisite training, including hazard recognition.*
- *Providing necessary personal protection equipment, such as hard hats and safety glasses, and instruction in their use.*
- *Maintaining a high degree of emergency preparedness.*
- *Requiring that contractors and vendors comply with all Company health and safety standards.*
- *Promote the Health & Safety Policy as a way of life in all aspects at our work sites and in our family and local community."*

2.2 HEALTH & SAFETY STRATEGY

Midas Gold will comply with all applicable health and safety requirements and regulations, as well as the Company's internal policies and procedures. The construction and operation of a mine with associated ore processing facilities and other surface facilities require that health and safety aspects, including miner training, must and will be an integral part of the operations.

The health and safety of individuals engaged in any activities associated with exploration, rehabilitation, construction, mining, ore processing, closure and reclamation are, and will continue to be, integral to Project planning and operation. Our goal is to protect worker health and safety by eliminating risks from Project activities and preventing accidents, especially those necessitating emergency responses, before unsafe conditions exist based on the following strategy:

- The Project site will conform to health and safety rules and regulations of Occupational Safety and Health Administration (**OSHA**) and Mine Safety and Health Administration (**MSHA**), as

appropriate. Such regulations require worker safety training and the maintenance of a ground control plan for mining operations.

- Midas Gold will build upon its current successful exploration health and safety policies, procedures and training programs to continue to ensure the safety and health of everyone working at the Project site, as well as on the public road systems between components of the Project.
- Midas Gold will maintain an onsite mine rescue vehicle for use in case of emergencies. This vehicle will be stocked with first aid gear. First aid supplies and kits will also be located strategically around the Project site.
- Midas Gold will have a safety department with the primary function of ensuring worker safety and training. Midas Gold will have emergency medical technicians (**EMTs**) and emergency equipment and supplies on site, including an ambulance, first aid and medical supplies. These supplies will be located at strategic locations in the ore processing facilities, the maintenance shop, the administration offices, and the Stibnite Lodge.
- Midas Gold will maintain compliance with 30 CFR Part 49 (underground mine rescue requirements) during underground exploration activities; see Section 13.2.
- Midas Gold will have mine rescue teams that will be trained in surface and underground firefighting, emergency medical response, evacuation/transportation, and other applicable mine safety practices and procedures. As a precautionary measure, Midas Gold plans to enter into cooperative agreements with Central Mine Rescue in Osburn, Idaho, or other operating mines in Idaho and/or Nevada, in the event supplemental mine rescue resources are ever needed.
- Midas Gold will coordinate with Valley County medical and hospital facilities, as well as regional hospitals located in Boise for proper care in the case of an emergency where personnel would have to be airlifted from the site. Midas Gold will maintain a heliport near the administration office and warehouse for use during Project activities and for emergency evacuation.
- Midas Gold will maintain a training room in the administrative office building. Midas Gold will implement new miner and refresher training as part of its operations.
- Midas Gold will manage public access at the Project site to restrict unauthorized entry.

2.3 ENVIRONMENTAL POLICY

Since the commencement of activities at the Stibnite Gold Project, guided by our core values, Midas Gold established environmental principles that are reflected in robust policies and SOPs on and off site to protect the natural environment, which policies have resulted in zero reportable environmental incidents since February 14, 2012. Midas Gold's commitment to the environment goes beyond just protecting what is there – we look for opportunities to enhance the ecosystem in which we operate, improving habitat and restoring the site by addressing legacy impacts.

As noted above, these principles, and the resulting policies and SOPs, will continue to be refined and developed, as the Project advances, reflecting the Project's various phases (pre-construction, clean-up and construction, operations, closure and reclamation, and monitoring). Midas Gold's current Environmental Policy is set out below; this Policy will continue to be developed and refined as the Project advances.

“Midas Gold’s environmental policy is a commitment to maintain sound environmental practices in all of its activities and to continuously improve the efficient use of resources, processes and materials.

For Midas Gold to succeed in fulfilling this policy, all employees are responsible for incorporating into their work the actions necessary to take all reasonable care for the protection of the environment. As such, Midas Gold commits to the following:

- *Examine the potential impact to the environment of all proposed activities and take steps to minimize, mitigate or, where possible, eliminate that impact.*
- *Operate in accordance with recognized industry standards, while meeting and complying with applicable federal regulations and laws.*
- *On a regular basis, determine the Company’s impact to the environment and, through continuous improvement, strive to attain higher levels of environmental performance.*
- *Minimize all hazardous and non-hazardous materials generation and properly dispose of all wastes.*
- *Maintain a high level of environmental protection by applying reasonable best practices and technologies that minimize impacts and enhance environmental quality with respect to water, air, vegetation and wildlife.*
- *Maintain dialogue with the communities and other stakeholders within the area of influence in order to understand their concerns, minimize negative impacts and to enhance environmental quality.*
- *Progressively rehabilitate disturbed areas, where appropriate, and develop closure plans that can continuously improve and incorporate new technologies where practical.*
- *Train and educate all employees and contractors to understand their environmental responsibility related to all activities related to the Company’s operations and activities.*
- *Require contractors and suppliers to operate according to Company’s environmental standards and procedures.*
- *Consider environmental factors when purchasing equipment and materials.”*

Additional Project-specific environmental protection and management practices can be found in greater detail in Section 6 of this document.

2.4 SUSTAINABILITY GOALS

Early in the design process, and as central goals for the Project development and operation, Midas Gold focused on the following key restoration and mitigation principles in establishing a “net benefit” goal for the Project:

- Remove existing barriers to fish migration and re-establish salmon and steelhead passage to the headwaters of the East Fork of the South Fork of the Salmon River (EFSFSR) and Meadow Creek as a beneficial environmental outcome;
- Re-establish fish habitat and spawning areas in the newly accessible EFSFSR and Meadow Creek;
- Remove and re-process legacy tailings (underlying the SODA area) to eliminate potential sources of metals leaching into the groundwater as an advance compensatory restoration measure created by the Project;

- Remove, relocate and potentially reuse legacy development rock from adjacent to the EFSFSR to remove sources of erosion and sediment that potentially affect the water quality in the EFSFSR;
- Re-use legacy spent ore material for construction activities to reduce the amount of fresh material required to be mined for construction purposes, thereby reducing the environmental footprint of the Project;
- Remove and reuse legacy development rock for construction activities, reducing the amount of fresh material required to be mined for construction purposes and thereby reducing the environmental footprint of the Project;
- Remove unconstrained and potentially contaminated materials from the legacy ore processing facility and smelter sites (and any other contaminated areas identified during construction and operations), and place such materials in appropriately designed, engineered and constructed permanent storage facilities;
- Reforest the Project area to reduce sediment run-off that negatively impacts water quality and fish habitat, and enhance vegetation, riparian habitat, and tree canopy that would support increased wildlife populations and manage water temperature, thereby enhancing fish habitat;
- Provide a permanent replacement for the rapidly filling Yellow Pine pit lake that is acting as a catchment for sediment transport from the headwaters of the EFSFSR;
- Restore stream channels and riparian habitat that were altered or impacted by previous mining, to improve fish habitat, fish spawning and fish passage, in support of developing a robust population of natural migratory fish, a net benefit resulting from the Project;
- Enhance fish habitat, spawning beds and passage in drainages upstream of the current blockage to fish passage, in further support of developing a robust population of natural migratory fish, providing a beneficial environmental outcome; and,
- Implement sediment control actions, such as repairing the East Fork of Meadow Creek (**EFMC**), thereby reducing sediment input into Meadow Creek and the EFSFSR, which reduction should improve fish habitat and encourage additional spawning and natural fish population growth, resulting in a beneficial environmental outcome.

In addition to the site rehabilitation from legacy disturbance, Midas Gold will minimize the Project's footprint and related impacts by using existing roads and by locating new facilities on previously impacted ground to the maximum reasonable extent and away from riparian areas to minimize potential impacts on or risks to water quality and fish populations.

2.5 TRANSPARENCY & SUSTAINABILITY REPORTING

Since the inception of our sustainability reporting program in 2012, Midas Gold has used the industry-leading Mining Association of Canada's (**MAC**) *Towards Sustainable Mining (TSM)* initiative to track our performance and progress (<http://www.mining.ca/site/index.php/en/towards-sustainable-mining.html>) against an internationally recognized reporting standard. Each TSM protocol that is applicable to an exploration company is internally and/or externally reviewed. Midas Gold is taking this proactive approach with a goal of delivering continuous improvements in five benchmark criteria:

- Safety & Health;
- Conservation Management;
- Energy & Waste;



- Community; and
- Economic Sustainability.

As the Stibnite Gold Project moves through the various phases of initial site cleanup, construction, operations, reclamation and closure, different components of the TSM initiative will come into play and be used to track the success of the Project against our core values.

2.6 TRAINING

Midas Gold has and will continue to maintain a comprehensive program of health and safety training for employees. Health and safety training will cover confined space entry, blasting, mine traffic control, electrical, hazard recognition, hazard communication, personal protection equipment, and other topics as necessary and pertinent to safe operations.

Midas Gold will provide for annual environmental training for staff, contractors, and consultants; this program will cover Stormwater Pollution Prevention Plan (**SWPPP**); Spill Prevention Control and Countermeasure plan (**SPCC**); waste and recycling management; wastewater handling and reuse; noxious weed control; protection of threatened, endangered, sensitive, candidate and proposed plants, terrestrial wildlife and aquatic species; and other general operation requirements to protect the environment. Midas Gold will also conduct an operating permit compliance training class for site management and supervisors to specifically cover operating permit constraints and limits to promote accountability with various levels of Project management.

3 SOCIOECONOMICS & WORKFORCE REQUIREMENTS

At Midas Gold, we always look to Idaho first, and particularly to Valley County, for our workforce and for the materials we need for the Stibnite Gold Project. There will be many opportunities for local businesses to contract with Midas Gold for surface infrastructure and miscellaneous facilities, to provide supplies and services, and for local residents to be directly or indirectly involved during the initial site cleanup, construction, operations, closure and reclamation, including for mining and exploration activities (see Sections 9.4 and 13.2.4, respectively) required for the Project. Most of the support facilities will be built or assembled during the early stages of the Project, while there will be ongoing activities throughout the life of the Project. Supplies, services, contractors and employees (direct and indirect) will be required throughout the life of the Project.

3.1 HIRING & CONTRACTING OBJECTIVES

Midas Gold aims to continue to encourage local hiring, contracting, provision of supplies and services within the local communities and Valley County, and then expanding out from the Project area to adjacent counties, the State and then the balance of the U.S.

Goal: Encourage the hiring of qualified local people and work with nearby communities to lessen any negative social, lifestyle and economic impacts on local residents.

Actions:

- Midas Gold will maintain its Stibnite Gold Logistics Facilities (**SGLF**) near the community of Cascade for general administration, accounting, payroll, human relations, warehousing, transportation and laboratory personnel. Members of the workforce assigned to this facility are expected to be or become residents of Valley County. Having as many support personnel as practical at the SGLF will limit the number of employees to be transported to the Project site and housed at Stibnite Lodge since SGLF workers will work more regular schedules and reside at home.
- Midas Gold will implement hiring practices that encourage the use of local contractors and local workers, and will go outside the region to hire only to the extent that qualified contractors and an adequate pool of worker candidates cannot be reasonably found locally and hired consistent with applicable legal requirements.
- Midas Gold will implement a policy that encourages local purchase and contracting, and work with local colleges and universities to identify training opportunities to facilitate the hiring of qualified local workers.

3.2 SOCIOECONOMICS & WORKFORCE REQUIREMENTS

The Stibnite Gold Project is located in Valley County (**County**), which encompasses approximately 3,240 square miles and features over 88% public lands. Cascade is the County seat, and McCall is the largest population center. From the early 1900s through to the late 1990s Valley County's economy was strongly supported by the mining and timber industries; however, more recently, the county has been dependent upon government, tourism and construction.

3.2.1 Valley County Population

Valley County is the fifth largest county in Idaho by area and thirteenth least populated (year-round) county of the 44 counties in Idaho. In 2014, Valley County had an estimated year-round population of