
PAULSON
& CO.
INC.

Investment Management

1133 Ave. of the Americas
New York, NY 10036 USA
TEL: +1 212 956-2221
FAX: +1 212 977-9505

August 25, 2020

Linda Jackson, Payette Forest Supervisor
500 North Mission Street
McCall, ID 83638

Dear Ms. Jackson,

I am a Partner at Paulson & Co. Inc., a US-based investment fund headquartered in New York. We became investors in Midas Gold Corp. (the “Company”) in 2016, and have subsequently provided the company with additional capital in 2019 and 2020, making us the largest investor in the Company. I have been on the Board of Directors of the Company since 2016 and became Chairman earlier this year.

Our firm has a deep history of investing in mining companies and has provided billions of dollars of capital to help find and develop mines globally. Over time, our focus has shifted to investing in projects in premier jurisdictions only, including the US. We were initially attracted to Midas Gold because of its location in Idaho, a mining-friendly state, and ultimately proceeded to invest in the Company because of the Stibnite Gold Project’s unique restoration aspect. We believed that the best solution for the legacy mine site was private capital that would both restore and redevelop the area. In the absence of a large, private investment, we felt that there would be no resources - locally or federally - to address the legacy impacts from past mining. It is important to note that the project’s economics in the current environment are extremely robust, and as such, can be funded entirely from private capital, without any requests for subsidies or grants from the government.

In addition to being the most practical solution to help improve water quality, restore fish passage, and clean up legacy tailings and waste sites, the Stibnite Gold Project will also be the only source of domestic production of antimony, a critical mineral. As you are probably aware, reducing our reliance on critical minerals from foreign sources is a bi-partisan-backed effort that began under President Obama’s term and has continued under the current administration too. We expect this bi-partisan push to reduce our dependence on imports of critical minerals from overseas. The current health crisis has exposed one of the weaknesses in our domestic supply chains, and as such, we believe development of the Stibnite Gold Project will help the entire country because it has the potential to produce approximately 30% of US annual demand of antimony. The two significant end users of antimony in the US are the US Military and the energy sector. Finally, it is worth highlighting that 92% of the world’s antimony is produced by China, Russia and Tajikistan.

The Stibnite Gold Project will also provide numerous economic benefits to Idaho, during a time of much uncertainty given the crisis we are living through. The \$1+ billion investment in Idaho will help employ 500 direct people with very high paying wages but will also help employ an additional ~500 indirect people through the effect of economic development. Additionally, the project will provide state and federal taxes with an estimated \$500 million of direct and induced taxes, based on Midas Gold's pre-feasibility study.

The Company has already spent nearly \$200 million so far, which is a sign of the Company's commitment to the redevelopment of this project. This comes despite the fact that we are not generating any revenues presently, and don't expect to do so until we are in operations. Our employees, who are mostly local Idahoans, have spent nearly a decade in developing community ties with the surrounding communities in Idaho. Their hard work and determination to get this project permitted in the most environmentally-friendly and least disruptive way has led me to conclude that Alternative 2 of the ModPRO should be the preferred alternative.

As we are a US-based investor, we are proud to be associated with projects in our country, and in particular the Stibnite Gold Project. We look forward to being continued investors in Midas Gold and continuing to provide capital to develop the project upon receipt of a favorable Record of Decision and the requisite permits.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Kim', with a horizontal line extending to the right.

Marcelo Kim
Partner