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## Audit Committee Charter

The Board of Directors (the “**Board**”) of Midway Gold Corp. (the “**Company**”) has established an Audit Committee (the “**Committee**”) comprised of at least three independent directors appointed by the Board. The membership qualifications, authority, responsibility and specific duties of the Committee are described below:

### **Membership Qualifications**

To serve on the Committee, a director must be independent, as determined under the criteria for independence required by the NYSE MKT Company Guide, the rules of the Toronto Stock Exchange, the rules and regulations of the United States Securities and Exchange Commission, Canadian securities laws and applicable laws and regulations. No Committee member shall receive compensation from the Company or any of its affiliates (including fees paid directly or indirectly for any consulting or any legal, financial or other advisory services), other than director’s fees for service as a member of the Board and any committees thereof. No Committee member will serve on the audit committees of more than three public companies, unless the Board determines that such service does not impair the ability of such member to serve on the Company’s Committee.

Committee members shall serve until their successors are duly designated and qualified. Any member may be removed at any time, with or without cause, by a majority of the Board then in office. Any vacancy on the Committee may be filled by a majority vote of the Board then in office.

The Committee’s chair shall be designated by the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee. The chair of the Committee, in consultation with management and the other members of the Committee, shall set meeting agendas.

The Committee may form and delegate authority to subcommittees when appropriate.

In addition, to serve on the Audit Committee, a director must be financially literate (or must become so within a reasonable period of time after being appointed to the Committee), as the Board interprets such qualification in its business judgment. At least one member of the Committee must qualify as an Audit Committee Financial Expert, as defined from time to time by rules and regulations of the Securities and Exchange Commission.

### **Authority**

The Board has granted the Committee the authority herein provided, as well as the authority to investigate any activity of the Company and its subsidiaries. The Committee has been, and shall be, granted access to all relevant information needed to carry of the duties of the Committee. Employees have been, and shall be, directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Company’s expense, persons having special competencies (including, without limitation, legal, accounting or other consultants and experts) to assist the Committee in fulfilling its responsibilities.



# MIDWAY GOLD

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## **Purpose and Responsibilities**

The primary responsibility for financial and other reporting, internal controls, and compliance with laws and regulations, and ethics rests with the management of the Company. The Committee's primary purposes are (1) to assist the Board in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and corporate policies and controls, and the selection, retention, qualifications, objectivity and independence of the Company's independent public accountant, and (2) to prepare the "Report of the Audit Committee" to be included in the Company's annual proxy statement. The Committee will assist the Board by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls that management and the Board have established, and the audit process.

The Committee is responsible for overseeing the integrity of the financial reporting process and that the financial statements adequately represent the Company's financial condition, results of operations and cash flows. Secondly, the Committee is responsible for overseeing the Company's compliance with corporate policies that provide processes, procedures and standards to follow in accomplishing the Company's goals and objectives. Thirdly, the Committee is responsible for understanding the Company's internal control structure and areas that represent high risk for material misstatement of the financial statements.

The independent public accountants and the principal accounting officer shall have direct and unrestricted access to the Committee as well as the opportunity to meet with the entire Board.

The Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities.

## **Specific Duties**

**In discharging its responsibilities, the Committee shall have the sole authority to perform the following duties:**

### ***Relationship with Auditors***

1. Retain, evaluate and, where appropriate, terminate the Company's independent public accountants.
2. Pre-approve all auditing services and related fees and the terms thereof, including the scope of the independent public accountants' audit examination plan, procedures and timing of the audit.
3. Pre-approve any non-audit services (i.e., any services provided other than in connection with the audit or review of financial statements) to be rendered by the Company's independent public accountants, including the terms thereof, and the fees to be paid in connection therewith.
4. Resolve disagreements, if any, between the Company's independent public accountants and management.
5. Prior to the audit, review the experience and qualifications of the senior members of the independent public accountants' audit team and the quality control procedures of the



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independent public accountant.

6. At least annually, (i) obtain and review from the independent public accountants a written statement delineating all their relationships with the Company, consistent with the Independence Standards Board Standard I, which is to include all non-audit services provided and related fees and (ii) discuss with the independent public accountants any disclosed relationships or services that may impact the objectivity and independence of the accountants and take appropriate action to satisfy itself as to the independence of the accountants.
7. At least annually, (i) consider the independence of the independent public accountant, including whether the provision of non-audit services is compatible with the requirement of independence; (ii) obtain and review a written report by the independent public accountants describing (a) the firm's internal quality-control procedures, and (b) any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting any independent audit carried out by the firm, and any steps taken to deal with any such issues; and (iii) review the independent public accountants' work throughout the year, including obtaining the opinion of management. Based upon the foregoing, (A) evaluate the independent public accountants' (including the engagement partner's) performance and (B) present the Committee's conclusions to the full Board.
8. Set clear hiring policies for employees or former employees of the independent public accountants in accordance with applicable laws and regulations.
9. Take such action as necessary to assure the rotation of the engagement audit partner at least every five years or such other period as may be required under applicable law.
10. Set and pay the compensation for (i) any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, (ii) any advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee.

The Committee may delegate to one or more members of the Committee the authority to pre-approve services to be provided by the independent public accountants. Any such pre-approval by one or more members of the Committee shall be reported to the full Committee at the next scheduled meeting. The pre-approval of auditing and non-auditing services can be done with input from, but no delegation of authority to, management.

### ***Financial Reporting and Internal Controls***

1. Review with the independent public accountants and management the Company's policies and procedures relative to the adequacy of internal accounting and financial reporting controls (including any significant deficiencies and significant changes in internal control over financial reporting), including controls over quarterly and annual financial reporting, computerized information systems and security.
2. Make all necessary inquiries of management and the independent public accountants concerning compliance with established standards of corporate conduct.



3. Review with management and the independent public accountants (i) the Company's policies with respect to risk assessment and risk management, (ii) the Company's major financial risk exposures, (iii) the steps management has taken to monitor and control such exposures, and (iv) the processes followed for assessment of internal controls under Section 404 of the Sarbanes-Oxley Act of 2002.
4. Review with management and the independent public accountant's risks of material misstatement due to fraud, and the processes and controls implemented by the Company to manage the risks.
5. Review with management and the independent public accountants the accounting and reporting principles and practices applied by the Company in preparing its financial statements, including: (i) major issues regarding accounting principles and financial statement presentations including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent public accountants setting forth significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (iv) earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies.
6. Discuss with management generally the types of information (including financial information and earnings guidance) to be disclosed in earnings press releases and earnings calls, as well as to analysts and rating agencies.
7. Prior to the release of each quarterly and annual earnings news release, discuss with management and the independent public accountants the results for the quarter or the year, including any significant transactions which occurred during the quarter or the year, any significant adjustments, management judgments and accounting estimates, new accounting policies and any disagreements between management and the independent public accountants.
8. Prior to the release of the annual financial statements and Annual Report on Form 10-K, meet to review and discuss with management and the independent public accountants, upon completion of their audit, the financial results for the year and the results of the audit, including (i) the Company's annual financial statements and related footnotes; (ii) management's discussion and analysis of the financial condition and results of operations; (iii) the results of the audit, including the nature and amount of unrecorded adjustments resulting from the audit; (iv) the independent public accountants' management recommendations; (v) any significant transactions which occurred during the year; (vi) any significant adjustments; (vii) management judgments and accounting estimates; (viii) new accounting policies; (ix) all alternative treatments of financial information within generally accepted accounting principles, ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the independent public accountants; and (x) any disagreements between management and the independent public accountants.
9. Prior to the release of quarterly financial statements and Quarterly Report on Form 10-Q, meet to review and discuss with management and the independent public accountants, the Company's quarterly financial statements for such quarter, including (i) the financial statements and related



footnotes, (ii) management's discussion and analysis of the financial condition and results of operations, (iii) the result of the quarterly review, including the nature and amount of unrecorded adjustments resulting from the review, (iv) any significant transactions which occurred during the quarter, (v) any significant adjustments, (vi) critical accounting policies and practices, (vii) new accounting policies, (viii) all alternative treatments of financial information within generally accepted accounting principles, ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the independent public accountants, and (ix) any disagreements between management and the independent public accountants.

10. Prepare the "Report of the Audit Committee" included in the Company's annual proxy statement. Such report is to include:
  - That matters required by Statement on Auditing Standards No. 61, as superseded by Statement of Auditing Standards No. 114 – the Auditor's Communication with Those Charged with Governance have been discussed with the independent public accountants.
  - That the independence of the independent public accountants has been discussed with them;
  - That the audited financial statements have been reviewed and discussed with management; and
  - The Committee's recommendation with regard to the audited financial statements.
11. Meet periodically and separately with each of management and the independent public accountants.
12. At least quarterly, review with the independent public accountants difficulties or problems encountered in the course of any audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
13. Apprise the Board regularly of significant developments in the course of performing the above duties, including reviewing with the full Board any issues that arise with respect to the quality or integrity of the Company's compliance with legal or regulatory requirements, or the performance and independence of the Company's independent public accountants.

### ***Whistleblower and Related Party Transactions***

1. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing practices.
2. Carry out a review to ensure that effective "whistle blowing" procedures exist to permit stakeholders to express any concerns regarding accounting, internal controls, auditing matters or financial matters to an appropriate individual.
3. Conduct an ongoing review of related party transactions, including transactions between the Company and any officer, director or 10% shareholder.



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***In discharging its responsibilities, the Committee shall have the authority to perform the following additional duties:***

***Annual Assessment of Charter and Committee Performance***

1. Conduct an annual performance self-evaluation of the Committee.
2. Review and reassess the adequacy of this charter on an annual basis and submit any proposed revisions to the Board for consideration and approval.

***Approved by the Board of Directors, as revised, on November 5, 2013.***