

Midway Gold Corp.

Audit Committee Charter

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of MIDWAY GOLD CORP. (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

- 1) The quality and integrity of Midway's financial statements and other financial information;
- 2) The compliance of such statements and information with legal and regulatory requirements;
- 3) The qualifications and independence of Midway's independent external auditor (the "**Auditor**"); and
- 4) The performance of Midway's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members, at least one of whom is financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities.

B. Qualifications

Each member of the Committee must be a member of the Board.

The Committee will have at least three members, each of whom:

- 1) Satisfies the independence standards specified in Section 121A of the AMEX Company Guide and Rule 10A-3 under the Securities Exchange Act of 1934;
- 2) Must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and
- 3) Is able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the By-Laws of Midway, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least once in each fiscal quarter, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning Midway's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of Midway.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of Midway or of an affiliate of Midway.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review Midway's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of Midway, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall

also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to Midway's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Related Party Transactions

- 1) To comply with Section 120 of the AMEX Company Guide, the Audit Committee of the Board of Directors shall be required to approve all related party transactions, including any transaction between the Company and any officer, director or 10% shareholder.

Independence of Auditor

- 2) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and Midway, consistent with independence standards established by the Canadian Institute of Chartered Accountants.
- 3) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 4) Require the Auditor to report directly to the Committee.
- 5) Review and approve Midway's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of Midway.

Performance & Completion by Auditor of its Work

- 6) Be directly responsible for the oversight of the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- 7) Review annually the performance of the Auditor and recommend the appointment, compensation or retention of the Auditor.
- 8) Provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the board of directors, for payment of:

- (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
 - (b) compensation to any advisers employed by the Committee; and
 - (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- 9) Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for Midway by the Auditor unless such non-audit services:
- (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by Midway to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by Midway at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by Midway and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of Midway

- 10) Establish procedures for:
- (a) the receipt, retention and treatment of complaints received by Midway regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of Midway of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

- 11) Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of Midway's financial statements, including any significant changes in Midway's selection or application of accounting principles, any major issues as to the adequacy of Midway's internal controls and any special steps adopted in light of material control deficiencies.
- 12) Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding Midway's financial statements or accounting policies.
- 13) Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on Midway's financial statements.

- 14) Discuss with management Midway's major financial risk exposures and the steps management has taken to monitor and control such exposures, including Midway's risk assessment and risk management policies.
- 15) Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (c) The adoption of, or changes to, Midway's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (d) The management inquiry letter provided by the Auditor and Midway's response to that letter.
 - (e) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by Midway

- 16) Review Midway's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and Midway publicly discloses this information.
- 17) Review Midway's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of Midway's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
- 18) Review disclosures made to the Committee by Midway's Chief Executive Officer and Chief Financial Officer during their certification process of Midway's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in Midway's internal controls.

Manner of Carrying Out its Mandate

- 19) Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of Midway's accounting principles, internal controls and the completeness and accuracy of Midway's financial statements.
- 20) Request any officer or employee of Midway or Midway's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- 21) Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions at least quarterly.
- 22) Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee.
- 23) Make regular reports to the Board.

- 24) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 25) Annually review the Committee's own performance.
- 26) Provide an open avenue of communication among the Auditor, Midway's financial and senior management and the Board.
- 27) Not delegate, other than to one or more independent members of the Committee, the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Midway's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

Approved by the Board of Directors on December 7, 2007