MIDAS GOLD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010

(Unaudited, expressed in US Dollars, unless otherwise stated)

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Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited, expressed in US dollars

	Notes	June 30, 2011	December 31, 2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 18,821,191	$ 4,805,707
Trade and other receivables		-	19,975
Prepaid expenses		201,331	58,567
		$ 19,022,522	$ 4,884,249
NON-CURRENT ASSETS			
Buildings and equipment, net	4	$ 475,473	$ 309,621
Prepaid exploration and evaluation asset	5	715,310	-
Exploration and evaluation assets	5	93,197,492	7,668,981
Deferred share issuance costs	11	781,344	-
Reclamation bond		18,000	18,000
		$ 95,187,619	$ 7,996,602
TOTAL ASSETS		$114,210,141	$ 12,880,851
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables		$ 1,570,070	$ 107,747
Current portion of note payable	6	177,697	172,521
Accrued interest payable		2,287	16,027
		$ 1,750,054	$ 296,295
NON-CURRENT LIABILITIES			
Long-term portion of note payable	6	$ 565,724	$ 743,421
TOTAL LIABILILITIES		$ 2,315,778	$ 1,039,716
SHAREHOLDERS' EQUITY			
Share capital	7	$ 112,478,285	$12,562,316
Equity reserve	7	4,644,295	129,500
Deficit		(5,228,217)	(850,680)
TOTAL SHAREHOLDERS' EQUITY		$ 111,894,363	$11,841,136
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 114,210,141	$12,880,851

Commitments (Note 5 and 9)
Events after reporting period (Note 11)

See accompanying notes to condensed consolidated interim financial statements.

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET AND COMPREHENSIVE LOSS
Unaudited, expressed in US dollars

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
EXPENSES				
Salaries	$ 76,967	$ 68,862	$ 132,468	$ 144,095
Legal	2,850	13,204	264,356	30,492
Accounting and clerical	10,332	18,206	33,260	28,057
Travel and meals	66,351	25,899	106,914	38,295
Consulting	14,609	-	59,034	-
Share based payments	3,157,459	-	3,664,125	-
General office expense	21,032	25,347	70,503	56,054
OPERATING LOSS	$,349,600	$ 151,518	$ 4,330,660	$ 296,994
OTHER EXPENSES / (INCOME)				
Foreign exchange loss	$ 89,989	$ -	$ 89,989	$ -
Interest income	(38,270)	(6,629)	(43,112)	(9,340)
Total other expenses / (income)	$ 51,719	$ (6,629)	$ 46,877	$ (9,340)
NET AND COMPREHENSIVE LOSS	$ 3,401,319	$ 144,889	$ 4,377,537	$ 287,654
NET LOSS PER SHARE, BASIC AND DILUTED	0.04	0.00	0.07	0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED	86,903,000	37,543,000	65,376,000	32,729,000

See accompanying notes to condensed consolidated interim financial statements.

Midas Gold Corp.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Unaudited, expressed in US dollars except for number of shares

		Issued Capital				
	Note	**Shares**	**Amount**	**Equity Reserve**	**Deficit**	**Total**
BALANCE, January 1, 2010 (Note 1)		27,345,000	$ 3,654,000	$ 120,000	$ (262,486)	$ 3,511,514
Shares issued in private placement	7	8,500,000	1,700,000	-	-	1,700,000
Shares issued in private placement	7	7,454,500	6,931,816	-	-	6,931,816
Share based payments		-	-	9,500	-	9,500
Shares issued for services	7	277,500	55,500	-	-	55,500
Shares issued for services	7	10,000	10,000	-	-	10,000
Net and comprehensive loss for the period		-	-	-	(287,654)	(287,654)
BALANCE, June 30, 2010		43,587,000	$ 12,351,316	$ 129,500	$ (550,140)	$11,930,676

		Issued Capital				
	Note	**Shares**	**Amount**	**Equity Reserve**	**Deficit**	**Total**
BALANCE, January 1, 2011 (Note 1)		43,812,000	$ 12,562,316	$ 129,500	$ (850,680)	$ 11,841,136
Share based payments	7	-	-	7,080,961	-	7,080,961
Exercise of options pre Transaction	7	4,600,000	1,930,500	(919,500)	-	1,011,000
Shares issued to Vista Gold Corp	1,7	30,402,615	79,148,742	-	-	79,148,742
Shares issued in private placement	7	6,129,800	15,586,344	-	-	15,586,344
Exercise of options post Transaction	7	250,000	100,000	(50,000)	-	50,000
Exercise of warrants post Transaction	7	6,116,666	3,150,383	(1,596,666)	-	1,553,717
Net and comprehensive loss for the period		-	-	-	(4,377,537)	(4,377,537)
BALANCE, June 30, 2010		91,311,081	$ 112,478,285	$ 4,644,295	$(5,228,217)	$ 111,894,363

See accompanying notes to condensed consolidated interim financial statements.

Midas Gold Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Unaudited, expressed in US dollars

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
OPERATING ACTIVITIES:				
Net loss	$(3,401,321)	$(144,889)	$(4,377,537)	$(287,654)
Adjustments to reconcile net loss to net cash used in operating activities:				
Share based compensation	3,157,459	-	3,664,125	-
Depreciation	357	-	357	-
Unrealised foreign exchange gain	(8,377)	-	(8,377)	-
Changes in				
Prepaid expense	(156,226)	(68,590)	(142,764)	(55,817)
Trade and other receivables	-	(34,254)	19,975	(34,254)
Trade and other payables	(144,228)	238,645	146,574	245,079
Accrued salaries to related party	-	-	-	(45,000)
Accrued interest payable	(20,609)	(14,570)	(13,740)	(9,714)
Net cash used in operating activities	$ (572,945)	$(23,658)	$(711,387)	$(187,360)
INVESTING ACTIVITIES:				
Purchase of exploration and evaluation assets	$(2,175,382)	$(654,259)	$(2,807,181)	$(820,827)
Restricted cash for drilling contract	-	(100,121)	-	(100,121)
Purchase of property and equipment	(119,344)	(218,411)	(205,349)	(299,728)
Net cash used in investing activities	$(2,294,726)	$(972,791)	$(3,012,530)	$(1,220,676)
FINANCING ACTIVITIES:				
Proceeds from issuance of common shares	$18,191,061	$7,821,816	$18,201,061	$8,631,816
Payment of deferred share issuance costs	(297,515)	-	(297,515)	-
Payment of note payable	(172,522)	(180,573)	(172,522)	(180,573)
Net cash provided by financing activities	$17,721,024	$7,641,243	$17,731,024	$8,451,243
Effect of foreign exchange on cash	8,377	-	8,377	-
Net increase in cash	14,861,730	6,644,794	14,015,484	7,043,207
Cash beginning of period	3,959,461	1,953,159	4,805,707	1,554,745
Cash end of period	$18,821,191	$8,597,953	$18,821,191	$8,597,953
SUPPLEMENTAL CASH FLOW DISCLOSURE				
Interest paid in cash	27,478	19,427	27,478	19,427
Interest Received	38,270	-	43,112	
Non-cash financing and investing activities				
Share based payments included in E&E [(1)]	1,416,835	75,000	3,416,835	75,000
Shares issued for mining interests included in E&E[(1)]	79,148,742	-	79,148,782	-
Depreciation included in E&E[(1)]	27,113	16,595	49,790	21,031
Activity included in trade and other payables	999,050	-	999,050	-

(1) Exploration and evaluation assets

See accompanying notes to condensed consolidated interim financial statements.

Unaudited, expressed in US dollars unless otherwise stated

1. Nature of Operations

Midas Gold Corp. ("the Corporation" or "Midas Gold") was incorporated on February 22, 2011 under the Business Corporations Act of British Columbia. The Corporation was organized to locate, acquire and develop mineral properties located principally in the Stibnite – Yellow Pine mining district in Valley County, Idaho (the "District"). The Corporation's common shares commenced trading on the Toronto Stock Exchange on July 14, 2011 after closing an initial public offering under a prospectus dated June 30, 2011. The corporate office of Midas is located at 1250-999 West Hastings St, Vancouver, BC, V6C 2W2, Canada.

On April 6, 2011, the Corporation executed a transaction (the "Transaction") whereby Midas Gold, Inc. ("MGI") and Vista Gold Corp. ("Vista") contributed their respective Idaho gold assets through a contribution to Midas Gold to form the Golden Meadows Project ("Golden Meadows" or "Project"). Pursuant to the Plan of Share Exchange, on closing of the Transaction Midas would be owned, on a diluted basis, 65% by the shareholders of MGI and 35% by Vista, excluding any contemporaneous or subsequent financings. Midas issued 30,402,615 shares to a subsidiary of Vista Gold Corp. and 48,412,000 shares to the former shareholders of MGI.

The transaction between Midas Gold and MGI did not result in a significant change in the ownership interests of those entities and the acquisition was accounted for as a continuity of interests maintaining the carrying amount of the entities. Accordingly, these financial statements have been prepared to reflect the financial position and results of operations as if these entities had been consolidated since their inception.

The transaction between Midas Gold and Vista constituted an acquisition of the assets of Idaho Gold Resources, LLC ("IGR"). Midas Gold acquired 100% of the outstanding common shares of Idaho Gold Holding Corporation ("IGHC"), where IGHC is the inactive holding company which held the equity interest in IGR. The following is a summary of the purchase consideration and the preliminary allocation of the purchase consideration to the assets acquired and the liabilities assumed:

Fair value of the 30,402,615 common shares issued for the acquisition of IGR	$ 79,148,742
Consideration allocated to the exploration and evaluation assets acquired	$ 79,148,742

2. Basis of Preparation

a. Statement of Compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting ("IAS 34"), using accounting policies which are consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b. Basis of Presentation

These condensed consolidated interim financial statements have been prepared on the historic cost basis except for certain financial instruments, which are measured at fair value, as explained in the Summary of Significant Accounting Policies (Note 3).

The preparation of these condensed interim consolidated financial statements is based on the accounting policies consistent with those applied to the interim financial statements for the three months ended March 31, 2011. The accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

2. Basis of Preparation (Continued)

These condensed interim consolidated financial statements do not include all of the information required for full financial statements and should be read in conjunction with MGI's consolidated financial statements for the year ended December 31, 2010, which are incorporated into the Corporation's final prospectus dated June 30, 2011 and available on www.sedar.com under the Corporation's profile.

These condensed consolidated interim financial statements for the three and six month periods ended June 30, 2011 and 2010 were approved and authorized for issue by the board of directors on August 9, 2011.

3. Summary of Significant Accounting Policies

a. Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements Midas Gold and its wholly owned legal subsidiary companies:

Midas Gold, Inc. ("MGI");
Idaho Gold Holding Corporation ("IGHC");
Idaho Gold Resource, LLC ("IGR"); and
MGI Acquisition Corporation ("MGIAC").

All significant intercompany transactions and balances have been eliminated.

b. Functional and Presentation Currency

The Corporation's functional and presentation currency is the US Dollar ("USD"). All amounts in these condensed consolidated interim financial statements are in USD, unless otherwise stated.

c. Cash and Cash Equivalents

For the purpose of the balance sheet and statement of cash flows, the Corporation considers all highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value to be cash equivalents. The Corporation's previous policy considered cash and cash equivalents to only consider highly liquid investments, with a maturity when purchased of three months or less, to be a cash equivalent. This change in policy had no change in prior period balances.

d. Business Combinations

Acquisitions of subsidiaries and businesses (other than entities which were under the control of the parent) are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Corporation in exchange for control of the acquiree. Any acquisition-related costs incurred to effect a business combination are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *'Business Combinations'* are recognized at their fair value at the acquisition date except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *'Noncurrent Assets Held for Sale and Discontinued Operations,'* which are recognized and measured at fair value less cost to sell.

3. Summary of Significant Accounting Policies (continued):

e. *Borrowing Costs*

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs not directly attributable to a qualifying asset are expensed in the period incurred.

f. *Financial Assets*

Financial assets are classified into one of four categories, fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), available for sale ("AFS") and loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

i. *FVTPL financial assets*

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Corporation manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Corporation does not have any assets classified as FVTPL financial assets.

ii. *HTM financial assets*

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Corporation does not have any assets classified as HTM investments.

iii. *AFS financial assets*

Short-term investments and other assets held by the Corporation are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity into other comprehensive income. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss rather than equity. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation differences on amortized cost of the asset is recognized in profit or loss, while other changes are recognized in equity.

3. Summary of Significant Accounting Policies (continued):

iv. Loans and receivables

Trade and other receivables, loans and cash that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost using the effective interest rate method less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

v. Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL and AFS.

vi. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

3. Summary of Significant Accounting Policies (continued):

vi. Impairment of financial assets (continued):

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

vii. Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Corporation transfers the financial asset and substantially all risks and rewards of ownership to another entity.

g. <u>Financial Liabilities and Equity</u>

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Corporation has classified trade and other payables, short-term financial liabilities and long-term financial liabilities as other financial liabilities.

i. Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire.

3. Summary of Significant Accounting Policies (continued):

h. *Exploration and Evaluation Assets*

Exploration and evaluation assets are recorded at cost less accumulated impairment losses. All direct costs related to the acquisition, exploration and evaluation of mineral properties are capitalized until the commercial viability of the asset is established, at which time the capitalized costs are reclassified to mineral properties under development. To the extent that the expenditures are made to establish ore reserves within the rights to explore, the Corporation will consider those costs as intangible assets in nature. The depreciation of a capital asset in connection with exploring or evaluating a property of this nature will be included in the cost of the intangible asset.

Management reviews the facts and circumstances to determine whether the carrying amount of the exploration and evaluation assets exceeds their carrying value on a regular basis. If the facts and circumstances suggest the carrying value exceeds the recovery value, the Corporation will impair the property.

i. *Loss Per Share*

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of share purchase options, if dilutive. The number of additional shares is calculated by assuming that outstanding share purchase options were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

j. *Foreign Currency Translation*

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the consolidated Statement of Net and Comprehensive Loss.

k. *Income Taxes*

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the Statement of Net Loss and Comprehensive Loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. Summary of Significant Accounting Policies (continued):

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Corporation does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

l. *Share Based Payments*

The Corporation grants share purchase options to directors, officers, employees and consultants. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing price on the date the options were granted.

The fair value of the options granted to employees is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period, which is the period over which all of the specific vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is measured separately and recognized over its respective period. The fair value is recognized as an expense or capitalized to exploration and evaluation assets, depending on the recipient of the option, with a corresponding increase in equity reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

When the Corporation grants share purchase options, which only vest upon satisfaction of a contingent event, the fair value of the option is measured on the date of grant using the same valuation model and assumptions used for options without performance conditions. When it becomes probable that the performance condition will be satisfied, the Corporation will recognize compensation expense based upon the grant date fair value.

3. Summary of Significant Accounting Policies (continued):

m. Reclamation and Remediation

The Corporation recognizes liabilities for statutory, contractual, constructive or legal obligations associated with buildings and equipment and exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning and site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value of such costs. The Corporation's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Corporation's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

n. Buildings and Equipment

Buildings and equipment are recorded at cost less amortization, depletion and accumulated impairment losses.

Where significant components of buildings and equipment have different useful lives, the components are accounted for as separate items. Expenditures incurred to replace a component that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

The cost of self-constructed assets includes the cost of materials, direct labor and an appropriate portion of normal overhead. The costs of day-to-day servicing are recognized in expenses as incurred, as "maintenance and repairs."

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose. Capitalization of borrowing costs ceases when the asset is substantially complete.

The Corporation depreciates its assets, less their estimated residual values, as follows:

Category	Method	Useful life
Vehicles & Equipment	Straight-line	3 to 7 years
Buildings	Straight-line	7 to 10 years

The depreciation method, useful life and residual values are assessed annually.

3. Summary of Significant Accounting Policies (continued):

o. Impairment

The Corporation's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the period. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

p. Leases

Operating lease payments are expensed on a straight-line basis over the term of the relevant lease. Incentives received upon entry into an operating lease are recognized straight-line over the lease term.

q. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

3. Summary of Significant Accounting Policies (continued):

r. *Significant Accounting Estimates, Judgments and Uncertainties*

i. The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

ii. Accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the useful lives of buildings and equipment, valuation of assets, recognition of deferred tax assets or liabilities, valuation of share based payments, accounting for acquisitions and the recoverable amount of exploration and evaluation expenditures.

iii. Accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the accounting for acquisitions, functional currency, expected economic lives of and the estimated future operating results and net cash flows from buildings and equipment and exploration and evaluation assets.

s. *Standards Issued but not yet Effective*

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the below.

i. The following five new Standards were issued by the IASB in May 2011, and are effective for annual periods beginning on or after January 1, 2013. Early application is permitted if all five Standards are adopted at the same time.

A. *Consolidated Financial Statements*
IFRS 10 *Consolidated Financial Statements* ("IFRS 10") will replace IAS 27 *Consolidated and Separate Financial Statements,* and SIC 12 *Consolidation – Special Purpose Entities*. The portion of IAS 27 that deals with separate financial statements will remain. IFRS 10 changes the definition of control, such that the same consolidation criteria will apply to all entities. The revised definition focuses on the need to have both "power" and "variable returns" for control to be present. Power is the current ability to direct the activities that significantly influence returns. Variable returns can be positive, negative or both. IFRS 10 requires continuous assessment of control of an investee based on changes in facts and circumstances.

3. Summary of Significant Accounting Policies (continued):

B. *Joint Arrangements*
IFRS 11 Joint Arrangements ("IFRS 11") will replace IAS 31 Interests in Joint Ventures, and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. IFRS 11 defines a joint arrangement as an arrangement where two or more parties contractually agree to share control. Joint control exists only when the decisions about activities that significantly affect the returns of an arrangement require the unanimous consent of the parties sharing control. The focus is not on the legal structure of joint arrangements, but rather on how the rights and obligations are shared by the parties to the joint arrangement. IFRS 11 eliminates the existing policy choice of proportionate consolidation for jointly controlled entities. In addition, the Standard categorizes joint arrangements as either joint operations or joint ventures.

C. *Disclosure of Interests in Other Entities*
IFRS 12 *Disclosure of Interests in Other Entities* ("IFRS 12") will replace the disclosure requirements currently found in IAS 28 *investment in Associates,* and is the new Standard for disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities, including information about the significant judgments and assumptions that it has made in determining whether it has control, joint control or significant influence in another entity. IFRS 12 sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11.

D. *Separate Financial Statements*
The new IAS 27 *Separate Financial Statements* ("IAS 27") has been updated to require an entity presenting separate financial statements to account for those investments at cost or in accordance with IFRS 9 *Financial Instruments.* The new IAS 27 excludes the guidance on the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent, which is within the scope of the current IAS 27 *Consolidated and Separate Financial Statements*, and is replaced by IFRS 10.

E. *Investments in Associates and Joint Ventures*
The new IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28") has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 *Investments in Associates* does not include joint ventures.

ii. IFRS 13 Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011, and is effective for annual periods beginning on or after January 1, 2013. Early application is permitted. IFRS 13 was issued to remedy the inconsistencies in the requirements for measuring fair value and for disclosing information about fair value measurement in various current IFRSs. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price.

iii. The IASB is expected to publish new IFRSs on leases and revenue recognition during the first half of 2012. The Company will assess the impact of these new standards on the Corporation's operations as they are published.

Unaudited, expressed in US dollars unless otherwise stated

4. Buildings and Equipment

At June 30, 2011 and December 31, 2010, the Corporation's buildings and equipment were as follows:

		Buildings	Equipment	Total
Cost				
Balance, December 31, 2010	$	33,139	326,335	359,474
Additions		-	218,063	218,063
Disposals		-	(2,065)	(2,065)
Balance, June 30, 2011	$	33,139	542,333	575,472
Accumulated Depreciation				
Balance, December 31, 2010	$	6,636	43,215	49,851
Disposals		-	(722)	(722)
Depreciation charge for the period		4,892	45,977	50,869
Balance, June 30, 2011	$	11,528	88,470	99,998
Net Book Value				
Balance, December 31, 2010	$	26,502	283,119	309,621
Balance, June 30, 2011	$	21,611	453,863	475,474

		Buildings	Equipment	Total
Cost				
Balance, December 31, 2009	$	17,430	33,576	51,006
Additions		8,279	291,449	299,728
Balance, June 30, 2010	$	25,709	325,025	350,734
Accumulated Depreciation				
Balance, December 31, 2009	$	873	3,358	4,231
Depreciation charge for the period		1,166	19,864	21,030
Balance, June 30, 2010	$	2,039	23,222	25,261
Net Book Value				
Balance, December 31, 2009	$	16,557	30,218	46,775
Balance, June 30, 2010	$	23,670	301,802	325,472

Depreciation expense included in exploration and evaluation assets was $50,511 (2010 – $21,031) (Refer Note 5) and depreciation expense was $358 (2010 – nil) for the six months ended June 30, 2011.

Unaudited, expressed in US dollars unless otherwise stated

5. Exploration and Evaluation Assets

At June 30, 2011 and June 30, 2010, the Corporation's exploration and evaluation assets at the Golden Meadows Project were as follows:

	As at December 31, 2010	Additions	As at June 30, 2011
Acquisition Costs			
Mineral claims	$ 523,760	$ 551,172	$ 1,074,932
Royalty interest	1,026,750	-	1,026,750
Interest on notes payable	48,528	13,740	62,268
Mineral claims acquired from IGR (Note 1)	-	79,148,742	79,148,742
Exploration and Evaluation Expenditures			
Consulting and labor cost	1,819,838	4,215,894	6,035,732
Geochemistry and geophysics	673,459	213,339	886,798
Environmental	191,280	217,290	408,570
Drilling	2,520,996	646,326	3,167,322
Road and excavating	136,428	19,600	156,028
Haulage and helicopter	167,869	28,075	195,944
Camp and field supplies	560,073	474,333	1,034,406
Balance	$ 7,668,981	$ 85,528,511	$ 93,197,492

	As at December 31, 2009	Additions	As at June 30, 2010
Acquisition Costs			
Mineral claims	$ 523,760	$ -	$ 523,760
Royalty interest	1,026,750	-	1,026,750
Interest on notes payable	11,332	9,710	21,042
Exploration and Evaluation Expenditures			
Consulting and labor cost	597,609	439,216	1,036,825
Geochemistry and geophysics	262,852	81,211	344,063
Environmental	49,774	29,798	79,572
Drilling	464,426	118,072	582,498
Road and excavating	11,228	11,898	23,126
Haulage and helicopter	9,244	21,005	30,249
Camp and field supplies	88,687	205,946	294,633
Balance	$ 3,045,662	$ 916,856	$ 3,962,518

5. Exploration and Evaluation Assets (continued)

Summary

The Corporation acquired title to the Golden Meadows Project through several transactions. All title is held at 100% through patented and unpatented claims, except for the Yellow Pine deposit and the Cinnabar claims. The right to the Yellow Pine deposit was acquired from Vista as part of the Transaction and it is subject to an Option to Purchase Agreement dated November 7, 2003, whereby on payment of $100,000 on signing and $100,000 per year for nine years paid on the anniversary of signing, the Corporation has the option to purchase 100% of the Yellow Pine deposit. As at June 30, 2011 two payments of $100,000 each remain outstanding. At completion of the Option to Purchase Agreement the Corporation would have paid $1,000,000. The Cinnabar claims are subject to an option agreement dated May 3, 2011, whereby on payment of $150,000 on signing and $100,000 per year for six years paid on the anniversary of signing, the Corporation has the option to purchase 100% of the Cinnabar claim group. As at June 30, 2011 six payments of $100,000 each remain outstanding. At completion of the Option to Purchase Agreement the Corporation would have paid $750,000.

As at June 30, 2011 the Corporation had prepaid exploration and evaluation assets of $715,310 (2010 – Nil). These prepayment will be allocated to exploration and evaluation assets when it deemed they are incurred.

Environmental and Other Matters Pertaining to Golden Meadows

The Golden Meadows Project is located in a historic mining district that has had active mining activities, associated ancillary operations and reclamation activities, that have produced environmental disturbances spanning from the early 1900s through mid-2005, a period of nearly 100 years. Through this period, various mining practices and waste management methods were used and, in some cases, these practices and methods did not properly manage environmental impacts or were not in compliance with environmental laws and regulations. Previous clean-up and remedial actions by prior industry operators and government agencies have addressed some of the historic environmental issues in the district.

Jurisdictional Authorities

For its activities at the Golden Meadows Project, the Corporation will be subject to federal, state and local statutes, rules and regulations designed, among other things, to protect the quality of the air, surface water, ground water, and soils, to give notice and to provide comment on government actions, to control access to and construction on lands and to protect threatened, endangered or other species by planned exploration activities in the district. The Golden Meadows Project is currently, and will in the future be, subject to laws, rules, policies and regulations of several regulatory or governmental authorities that may have a direct bearing on these activities, as well as any future potential mining activities, should they occur.

The potential effects of future exploration activities on surface and groundwater water quality, aquatic habitat and fisheries will be managed by the Corporation as part of carefully designed programs implemented by the Corporation to mitigate and monitor these activities for potential environmental impacts. Various regulatory agencies will be involved in ensuring the Corporation's ability to incorporate sound environmental management strategies in project designs and plans of operations to mitigate the potential effects on the environment during operations. Effective reclamation or post-operations environmental monitoring requirements will be required to evaluate the effectiveness of these programs and to reclaim and rehabilitate the lands affected by a mining facility once any commercial operations have ceased.

5. Exploration and Evaluation Assets (continued)

Overview of the Due Diligence

A number of environmental studies and regulatory investigations in the district identified numerous areas of potential environmental degradation related to historic mining. In the past, regulatory actions under the *Comprehensive Environmental Response, Compensation, and Liability Act* ("CERCLA"), the *Resource Conservation and Recovery Act* ("RCRA") and state law have been taken by the U.S. Environmental Protection Agency ("EPA"), the Forest Service and the Idaho Department of Environmental Quality against historic mining operators. All of these regulatory activities and related clean-up programs pre-date any ownership or exploration by the Corporation or its subsidiaries.

In 2009 and 2010, MGI and Vista contracted an independent third party to conduct formal assessments of the properties comprising the Golden Meadows Project. An objective of these studies was to develop a framework for the Corporation to qualify for the Bona Fide Prospective Purchaser ("BFPP") defense, which provides qualifying owners relief from CERCLA liability that accrued prior to the owner's purchase, on those parcels. A purchaser who acquires hazardous-waste contaminated property after January 11, 2002, and who complies with eight specific statutory criteria will not incur CERCLA liability for pre-purchase contamination merely for being an owner of that property.

Consent Decrees under CERCLA

Several of the patented lode and mill site claims acquired by MGI comprising part of the West End Deposit, in addition to the Cinnabar claim groups held under option from the Estate of J.J. Oberbillig, are subject to a consent decree, involving or pertaining to environmental liability and remediation responsibilities with respect to the affected properties described therein. This consent decree provides the regulatory agencies that were party to the agreement access and the right to conduct remediation activities under their respective CERCLA and RCRA authorities as necessary and required to prevent the release or potential release of hazardous substances. In addition, the consent decree requires that heirs, successors and assigns refrain from activities that would interfere with or adversely affect the integrity of any remedial measures implemented by government agencies.

Idaho Gold and MGI were each recently advised of a proposed notice of environmental conditions pertaining to the Hangar Flats and Yellow Pine Deposits, which, if executed in its current form as part of the consent decree, could have a material adverse effect on Idaho Gold and MGI and as a result, the Corporation insofar as the notice could limit or constrain their use of the Hangar Flats Deposit and Yellow Pine Deposit and could also affect their ability to transfer the Hangar Flats Deposit and Yellow Pine Deposit to a third party for value. MGI will review the proposed notice, if and when it is issued, to determine its possible effect on MGI's continuing and proposed activities on the affected mineral properties.

Future Plans for the Environmental Issues

Before any future mining occurs, the site's current and potential recognized environmental conditions ("RECs") will be characterized to facilitate disclosure requirements under environmental and mining related laws and regulations. The Corporation expects it will need to address areas of existing environmental concern as part of the permitting process to satisfy regulatory requirements for any future mining operations. Further, many of the RECs occur in areas adjacent to, and in a few cases overlying, the mineral resources sought by the Corporation and would therefore need to be removed and/or remediated as part of the overall development, operation and post-operations reclamation of the sites.

Unaudited, expressed in US dollars unless otherwise stated

5. Exploration and Evaluation Assets (continued)

The Corporation recognizes the need to maintain the current designated uses, to improve water quality, wildlife and aquatics habitat where practicable and to reduce sediment loads in the Golden Meadows Project area wherever feasible as a component of its ongoing exploration activities, as well as to provide for future mining activities, should they occur. To meet these needs, the Corporation has instigated a program to address known RECs and to investigate potential RECs.

Current Exploration Activities
The exploration activities planned by the Corporation for 2011 and as part of the pre-development of any future mining operations are expected to be low-impact surface drilling using track-mounted and/or helicopter-transported drill rigs. Drilling will be conducted in locations or in a manner to avoid disturbing the reclaimed and remediated RECs. Accordingly, the Corporation should not incur any increased CERCLA liability as a result of its exploration activities as it will not be disturbing the reclaimed or remediated RECs.

Title

Although the Corporation has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

6. Notes Payable

Notes payable at June 30, 2011 and December 31, 2010, are as follows:

	Note Payable Estate of JJ Oberbillig	Note Payable Oberbillig Group	Total
Balance, December 31, 2009	$ 216,690	$ 866,750	$ 1,083,440
Repayments	(33,500)	(133,998)	(167,498)
Balance, June 30, 2010	$ 183,190	$ 732,752	$ 915,942
Balance, December 31, 2010	$ 183,190	$ 732,752	$ 915,942
Repayments	(34,504)	(138,017)	(172,521)
Balance, June 30, 2011	$ 148,686	$ 594,735	$ 743,421
Current portion			$ 177,697
Long term portion			565,724
			$ 743,421

7. Share Capital

a. *Authorized*

Unlimited number of common shares without par value.
Unlimited number of first preferred shares without par value.
Unlimited number of second preferred shares without par value.

b. *Issued during the Six Months Ended June 30, 2010 and June 30, 2011*

i. *Shares Issued for Services*

In the six months ended June 30, 2010 MGI issued 277,500 shares for services that were valued at $55,500 ($0.20 per share) and 10,000 shares for services that were valued at $10,000 ($1.00 per share).

There were no shares issued for services during the six month period ended June 30, 2011.

ii. *Shares Issued for Cash*

In the six months ended June 30, 2010, MGI issued 8,500,000 and 7,454,500 in two separate private placements at $0.20 and $1.00 per share, respectively. The private placement at $1.00 per share had finder's fees of $522,684. Net proceeds of each private placement were $1,700,000 and $6,931,816, respectively.

In the six months ended June 30, 2011 prior to the Transaction, MGI issued 4,600,000 of its common shares upon exercise of share purchase options at a weighted average price of $0.22 per share.

In the period subsequent to the Transaction and prior to June 30, 2011, the Corporation issued 250,000 of its common shares upon exercise of share purchase options at a weighted average price of $0.20 per share.

In the period subsequent to the Transaction and prior to June 30, 2011, the Corporation issued 6,116,666 of its common shares upon exercise of share purchase warrants at a weighted average price of $0.25 per share.

On April 6, 2011, the Corporation issued 6,129,800 common shares in a private placement at a price of $2.59 per share, with issuance costs of $371,690, for net proceeds of $15,586,344.

iii. *Shares Issued for Mineral Properties*

As disclosed in Note 1, on April 6, 2011 the Corporation issued 30,402,615 common shares to Vista and 48,412,000 common shares to the former shareholders of MGI in a one for one share exchange.

Unaudited, expressed in US dollars unless otherwise stated

7. Share Capital (Continued)

c. Share purchase options

A summary of share purchase option activity within the Corporation's share based compensation plan for the six months ended June 30, 2011 and 2010 is as follows:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2009	10,600,000	$	0.219
Options granted	50,000		0.200
Balance, June 30, 2010	10,650,000	$	0.219
Balance, December 31, 2010	10,650,000	$	0.219
Options granted before Transaction	2,000,000	$	0.500
Options exercised before Transaction	(4,600,000)		0.220
Options converted to Warrants in Transaction	(7,450,000)		0.300
Options exercised after Transaction	(250,000)		0.200
Options granted after Transaction	7,585,000		2.679
Balance, June 30, 2011	7,935,000	$	2.570

The Corporation had previously granted options to purchase common shares contingent upon the Corporation establishing or acquiring 2.5 million ounces of gold resources. The fair value of these options was estimated on the date of grant using the same valuation model and assumptions used for all other share purchase options granted. On February 22, 2011, the Corporation reported a mineral resource which satisfied the contingency and the share purchase options vested fully and the estimated fair value of $2,000,000 was recorded in exploration and evaluation assets. In addition to this allocation, during the six months ended June 30, 2011, the Corporation allocated $1,416,835 to exploration and evaluation assets on the vesting of share purchase options.

During the six months ended June 30, 2011, the Corporation also recorded $3,664,125 (2010 - $ nil) as share based payments on the vesting of share purchase options.

During the six months ended June 30, 2011, the total amount of share based payments recorded as exploration and evaluation assets and share based payment expense was $7,080,961 (2010 - $9,500).

The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model, using the following weighted average assumptions:

	2011	2010
Fair value options granted	$2.22	$0.20
Risk-free interest rate	2.30%	1.05%
Expected term (in years)	4.3	2.0
Expected share price volatility	97%	250%
Expected dividend yield	0.00%	0.00%

Unaudited, expressed in US dollars unless otherwise stated

7. Share Capital (Continued)

An analysis of outstanding share purchase options is as follows:

Options Outstanding	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
350,000	$0.20	3.1	Jul-31-2014
6,675,000	$2.59	4.8	Apr-18-2016
910,000	$3.32	4.9	Jun-06-2016
7,935,000	$2.57	4.8	

Options Vested and Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
350,000	$0.20	3.1	Jul-31-2014
2,225,000	$2.59	4.8	Apr-18-2016
303,333	$3.32	4.9	Jun-06-2016
2,878,333	$2.38	4.6	

d. *Warrants*

The Corporation issued 7,450,000 warrants on the conversion of certain share purchase options issued by MGI prior to April 6, 2011. A summary of warrant activity for the six months ended June 30, 2011:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2010	-	$ -
Warrants converted from option in Transaction	7,450,000	$ 0.30
Warrants exercised after Transaction	(6,116,666)	$ 0.25
Warrants forfeited	-	-
Balance, June 30, 2011	1,333,334	$ 0.50

The Corporation did not issue any warrants during the year ended December 31, 2010.

8. Compensation of Key Management Personnel

Compensation of directors and officers and other key management personnel during the six months ended June 30, 2011 was:

	June 30, 2011	June 30, 2010
Salaries and consulting fees	$ 358,717	$ 229,079
Share based payments	$ 1,674,720	$ 59,500

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the six month period ended June 30, 2011.

9. Commitments

a. *Office Rent*

The Corporation's exploration office is located in Spokane Valley, Washington and is subject to monthly rental payments of $2,830 until January 2012. The Corporation's field office and warehouse are located in McCall, Idaho and subject to monthly rental payments of $3,500 until June 2011 and then monthly rental payments of $4,000 until June 2014. The total payments the Corporation is committed to is $175,470.

The Corporation's head office is located in Vancouver, BC and subject to monthly rental payments of $14,000. The Corporation signed a five year lease that commenced on July 15, 2011. The total payments the Corporation is committed to is $840,000 over the five year period.

b. *Mining Claim Assessments*

The Corporation currently holds mining claims on which it has an annual assessment obligation of $67,900 in order to maintain the claims in good standing. The Corporation is committed to this for the indefinite future.

c. *Options Payments on Mining Claims*

The Corporation is obligated to make option payments on the mineral claims holding the Yellow Pine deposit and the Cinnabar prospect, all claims being part of the Golden Meadows Project. Option payments due on Yellow Pine are $100,000 for 2012 and 2013 and on the Cinnabar prospect are $100,000 for 2012 to 2017.

10. Segment Reporting

The Corporation operates in only one segment.

11. Events After Reporting Period

On July 14, 2011 the Corporation completed its initial public offering (the "Offering") of 12,307,700 common shares of the Corporation at a price of C$3.25 per share for aggregate gross proceeds of C$40,000,025. The common shares of the Corporation commenced trading on the Toronto Stock Exchange. The Offering involved a syndicate of agents who received a cash commission equal to 6% of the gross proceeds of the Offering. As at June 30, 2011 the Corporation had incurred $781,344 in expenses related to the Offering.

On July 20, 2011, the Corporation reported that it had been granted all permits required for its 2011 exploration program and that exploration had commenced. During 2011, Midas plans to complete 30,000m of drilling, an airborne geophysical survey, metallurgical studies, environmental baseline and voluntary remediation work. Total exploration expenditures are anticipated at approximately $10.5 million, with an additional $1.25 million (approximately) to be incurred on environmental, metallurgical and other studies. Additional capital expenditures of approximately $1.7 million will be incurred in maintaining the property interests held by Midas Gold and establishing a base camp for up to 23 people on the Golden Meadows property, for total project expenditures of approximately $13.4 million in 2011.