MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The information included in this Management Discussion and Analysis ("MD&A") dated August 9, 2011, is of the operating results and financial condition of Midas Gold Corp. ("Midas Gold" or the "Corporation") for the three and six months ended June 30, 2011 compared to the three and six month periods ended June 30, 2010. All currency references are in US Dollars unless otherwise stated.

This MD&A is intended to help the reader understand the significant factors that have affected the Corporation's performance and which may affect its future performance and should be read in conjunction with the condensed consolidated interim financial statements of the Corporation for the three and six months ended June 30, 2011 and 2010. The Corporation's condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in the Corporation's functional currency, the US dollar, unless otherwise stated.

Additional information relating to the Corporation can be found at its website at www.midasgoldcorp.com as well as under its profile on SEDAR at www.sedar.com.

OVERVIEW

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 ("TSX") on July 14, 2011 after closing an initial public offering under a prospectus dated June 30, 2011. The corporate office of Midas Gold 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"). Immediately prior to the Transaction, MGI controlled the mineral rights to the Hangar Flats and West End gold deposits in the District in Idaho and held a royalty interest to the Yellow Pine deposit. Vista controlled the mineral rights to the Yellow Pine deposit adjacent to MGI's properties in the District. Pursuant to the Plan of Share Exchange, on closing of the Transaction Midas Gold would be owned, on a diluted basis, 65% by the shareholders of MGI and 35% by Vista excluding any contemporaneous or subsequent financings. On closing, Midas Gold issued 30,402,615 shares to a subsidiary of Vista and 48,412,000 shares to the former shareholders of MGI.

The transaction between Midas 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.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"), which include all statements, other than statements of historical fact, that address activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future. These include, without limitation:

- anticipated results and developments in the Corporation's activities in future periods;
- planned exploration and development of its properties and the results thereof;
- planned expenditures and budgets and the execution thereof;
- evaluation of the potential impact of future accounting changes;
- estimates concerning recovery of accounts receivable, stock-based compensation and carrying value of properties;
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs. These forward-looking statements are made as of the date of this document and Midas Gold does not intend, and does not assume any obligation, to update these forward-looking statements.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that may be encountered if the property is developed.

With respect to forward-looking statements and information contained herein, the Corporation has made a number of assumptions with respect to, including among other things, the price of gold and other metals, economic and political conditions, and continuity of operations. Although the Corporation believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- fluctuations in mineral prices;
- fluctuations in capital markets and share prices;
- the Corporation's dependence on one mineral project;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Corporation's lack of operating revenues;
- the Corporation's ability to obtain necessary financing to fund the completion of further exploration programs or the development of its mineral properties;
- risks related to the Corporation's principal property being located in the USA, including political, economic and regulatory uncertainty;
- governmental regulations and the ability to obtain necessary licenses and permits;
- risks related to the Corporation's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- fluctuations in the currency markets (particularly the Canadian dollar and United States dollar);
- changes in environmental laws and regulations which may increase costs of doing business and restrict the Corporation's activities;
- risks related to the Corporation's dependence on key personnel; and

- estimates used in the Corporation's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Corporation's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Corporation's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

RESULTS OF OPERATIONS

Net and Comprehensive Loss

	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 compensation	3,157,459	-	3,664,125	-
General office expense	21,032	25,347	70,502	56,054
OPERATING LOSS	3,349,600	151,518	4,330,660	296,994
Foreign Exchange	89,989	-	89,989	-
Interest income	(38,270)	(6,629)	(43,112)	(9,340)
NET AND COMPREHENSIVE LOSS	3,401,319	144,889	4,377,537	287,654

Net and comprehensive loss for Midas Gold for the three month period ending June 30, 2011 was $3,401,319 or $0.04 per common share, compared with $144,889 or $Nil loss per share for the corresponding periods of 2010, with the increased loss primarily related to increased share based compensation and foreign exchange losses.

During the three months ended June 30, 2011, the Corporation's main focus was the finalization of the Transaction, preparing for the initial public offering ("IPO") and listing of its common shares on the TSX, and to prepare for Corporation's summer 2011 exploration program.

An analysis of each line item is as follows:

Salaries

This expense relates to the salaries and benefits of the employees that are not related to the exploration and evaluation of the Golden Meadows Project. This expense for the quarter and the year-to-date is consistent with the prior year. Additional staff that joined the Corporation in the quarter in the corporate office were offset by staff at the exploration office now focused directly on the exploration activities and as a result, their costs have been capitalized to exploration and evaluation assets.

Legal
This expense relates to the legal costs of the Corporation. This expense is significantly higher in the first quarter of the year as a result of the Corporation's preparation for the Transaction on April 6, 2011. In the current quarter, the majority of the legal expenses have been capitalized as they related to the closing of the Corporation's Initial Public Offering on July 14, 2011.

Accounting
This expense relates to the accounting and clerical costs of the Corporation. This expense is consistent with the prior year for the quarter and the year-to-date.

Travel and Meals
This expense relates to the travel and meal costs of the Corporation's directors, officers, employees and consultants whilst undertaking business on behalf of the Corporation. This expense has increased in the current quarter and year when compared to the previous year as a result of additional travel that was required between the Corporation's head office in Vancouver, BC, its exploration office in Spokane, WA and the field office in McCall, ID.

Consulting
This expense relates to consulting services provided to the Corporation that do not relate to the exploration and evaluation of the Golden Meadows Project. This expense has increased in the current quarter and year when compared to the previous year as a result of the consulting work performed in relation to, and in preparation for, the Corporation's Transaction on April 6, 2011.

Share based compensation
This expense relates to the compensation of directors, officers, employees and consultants that are share based and not directly related to the exploration and evaluation of the Golden Meadows Project. This expense is higher for the quarter and year-to-date when compared to the prior year as there was no granting or vesting of options in the comparable period from the prior year. The fair value of options granted is estimated at the time of the grant using the Black-Scholes option pricing model which uses various assumptions that are outlined in the Corporation's financial statements for the period ended June 30, 2011.

General office expense
This expense relates to the setup of an office in Vancouver, BC and the maintenance of an office in Spokane, WA, until March 31, 2011 when it was determined that the Spokane, WA office was in direct support of exploration and evaluation activities and, at which time, the expense was capitalized to exploration and evaluation assets. The expense for the six months ended June 30, 2011 was higher than the prior year as a result of the existence of two corporate offices for part of the quarter ended March 31, 2011.

Foreign Exchange
This expense relates to translation losses on the Corporation's Canadian dollar denominated balances as at June 30, 2011. This expense is new for the quarter and has primarily resulted from the translation of balances that resulted from the Transaction on April 6, 2011.

Interest Income
This income results from interest received on the Corporation's cash balances. This amount has increased in the current quarter and year as a result of the increased cash balances held by the Corporation.

Exploration and Evaluation Assets

A summary of additions to exploration and evaluation assets for the three and six months ended June 30, 2011 is as follows.

	Three Months Ended		Six Months Ended	
	June 30, 2011 ($)	June 30, 2010 ($)	June 30, 2011 ($)	June 30, 2010 ($)
Exploration and Evaluation				
Acquisition				
Mineral claims	551,172	-	551,172	-
Royalty Interest	-	-	-	-
Interest on notes payable	6,870	6,870	13,740	9,710
Mineral claims acquired from Vista	79,148,742	-	79,148,742	-
Exploration and Evaluation Expenditures				
Consulting and labour cost	1,740,692	340,573	4,215,894	439,216
Geochemistry and geophysics	209,300	76,606	213,339	81,211
Environmental	154,559	29,798	217,290	29,798
Drilling	640,453	118,072	646,326	118,072
Road and excavating	19,600	11,898	19,600	11,898
Haulage and helicopter	28,075	20,880	28,075	21,005
Camp & Field Supplies	374,569	170,074	474,333	205,946
NET ADDITIONS TO E&E ASSETS	**82,874,033**	**774,771**	**85,528,511**	**916,856**

An analysis of each line item is as follows:

Mineral Claims

This item relates to the costs associated with acquiring mineral claims. During the quarter, the Corporation acquired interests in two additional parcels of mineral claims contiguous to the original Golden Meadows Project. One parcel of claims was made through the purchase of six patented lode mining claims for a payment of $0.4 million and the interest in the other parcel was acquired through an option agreement requiring option payments of $0.8 million over a six year period, of which a payment of $0.2 million was made on signing.

Interest on Notes Payable

This item relates to two notes payable related to the acquisition of mineral claims and a royalty interest. Interest accrues at 3% and interest and principal payments of $0.2 million in total are due on June 2 each year with the final payment in 2015. The interest for the three and six months ended June 30, 2011 is consistent with the comparable period from the prior year.

Mineral Claims acquired from Vista

This item was explained in the overview of the MD&A. This item is a one-time transaction.

Consulting and Labour Cost

This item relates to the costs associated with staffing the Golden Meadows Project. It increased in the current quarter and year when compared to the prior year as the current quarter includes $1.4 million in share based payments and the prior quarter included $2.0 million in share based payments.

Geochemistry and Geophysics
This item relates to the costs associated with the geochemistry and geophysical exploration programs at Golden Meadows. This expense has increased in the current year and quarter as the Corporation undertook an airborne electromagnetic and resistivity survey over the entire property.

Environmental
These items relate to the cost associated with the assessment of environmental conditions at Golden Meadows and where appropriate the remediation of any environmental conditions. Additional work has been performed in this area in the current quarter and year as the Corporation's land position has increased and as the Corporation prepares for an increased exploration program for 2011.

Drilling
This item relates to the cost associated with drilling exploration targets at Golden Meadows. Drilling started at Golden Meadows in late June 2011, however the costs incurred predominantly relate to mobilization and set up costs. The costs for the current quarter and year have increased when compared to the prior year as the Corporation is planning to drill additional metres with additional drill rigs.

Road and Excavating
This item relates to the cost of equipment used in the construction of roads around Golden Meadows. This expense for the current quarter and year is marginally higher when compared to the prior year as the Corporation is planning for larger exploration program in the current year.

Haulage and Helicopter
This item relates to the transportation of people and supplies into Golden Meadows. This expense has increased in the current quarter and year when compared to the prior year as a result of the drill program the Corporation is planning for in the current year.

Camp & Field Supplies
This item relates to the establishment of a camp at Golden Meadows. This expense has increased in the current quarter and year when compared to the prior year as a result of the larger exploration program the Corporation is planning for in the current year.

An analysis of the June 30, 2011 and December 31, 2010 balance sheets of the Corporation is as follows:

Total Assets
Total assets increased during the six months ended June 30, 2011 from $12.8 million to $114.2 million primarily as a result of the Transaction, which accounted for $79.1 million, and the contemporaneous private placement of $15.6 million. The remainder of the increase relates to cash received on the exercise of options and warrants and the allocation of share based compensation to exploration and evaluation assets.

Shareholders' Equity
Shareholders' equity increased during the six months ended June 30, 2011 from $11.8 million to $111.9 million primarily as a result of the above mentioned Transaction, which accounted for $79.1 million, issuance of shares through a private placement of $15.6 million, and on the exercise of options and warrants of $2.6 million and on the vesting of stock options of $7.1 million.

Total Liabilities
Total liabilities increased during the six months ended June 30, 2011 from $1.0 million to $2.3 million primarily as a result of increased accounts payable as at June 30, 2011 of $1.5 million. The increase in accounts payable is related to the Transaction and increased activity within the Corporation. This increase was offset by a decrease in the Note Payable of $0.2 million when the annual payment was made.

Cash Flows
Midas Gold generated cash for the quarter and the year-to-date of $14.9 million and $14.0 million, respectively. Cash received from financing activities for the quarter and year-to-date was $17.7 million as a result of the issuance of shares through a private placement and through the exercise of options and warrants. This inflow from financing was offset by outflows from operating and investing activities.

Operating cash flows for the quarter and year-to-date were $0.6 million and $0.7 million, respectively. Operating cash flows increased on the quarter and year-to-date with the establishment of a Vancouver office and increase corporate activity related to the Corporation's Transaction, private placement and initial public offering that closed subsequent to June 30, 2011.

Investing cash flows for the quarter and year-to-date were $2.3 million and $3.0 million, respectively. Operating cash flows increased on the quarter and year-to-date with the acquisition of additional mining claims and in preparation for the 2011 Golden Meadows exploration program that will be substantially larger than the previous year.

QUARTERLY RESULTS

The net and comprehensive loss (unaudited) of Midas Gold for the previous eight calendar quarterly periods:

Quarter Ended (All amounts in $)	Revenue (Unaudited)	Net and Compre-hensive Loss (Unaudited)	Basic & Diluted Loss per Share (Unaudited)	Total Assets (Unaudited)	Long Term Liabilities (Unaudited)	Cash Dividend (Unaudited)
June 30, 2011	-	(3,401,319)	(0.04)	114,210,141	565,724	-
March 31, 2011	-	(976,217)	(0.02)	14,718,974	743,421	-
December 31, 2010	-	(184,371)	(0.01)	12,880,851	743,421	-
September 30, 2010	-	(116,170)	(0.00)	11,857,128	743,421	-
June 30, 2010	-	(140,452)	(0.01)	11,614,578	704,485	-
March 31, 2010	-	(147,201)	(0.00)	3,814,713	899,629	-
December 31, 2009	-	(127,328)	(0.01)	4,680,775	894,772	-
September 30, 2009	-	(100,798)	(0.00)	4,686,411	888,296	-

The increases in the net and comprehensive loss for the quarters ended June 30, 2011 and March 31, 2011 is primarily related to the increase in share based compensation and foreign exchange losses for the period when compared to previous quarters. The increase in total assets is in the quarter ended June 30, 2011 is primarily due to the Transaction described above and the contemporaneous private placement.

CAPITAL RESOURCES AND LIQUIDITY

Capital resources of Midas Gold consist primarily of cash and liquid short-term investments. As at July 31, 2011, Midas Gold had cash totalling approximately $55 million; approximately $0.2 million in other current assets and $1.8 million in accounts payable and accrued liabilities.

As a result of the initial public offering which closed on July 14, 2011, Midas Gold has sufficient funds to further develop the Golden Meadows property and plans to do so by:

- Upgrading the confidence level of the existing mineral resources;
- Advancing economic studies on the defined mineral resources;
- Growing the mineral resource based through exploration; and
- Advancing the regulatory process for the mineral resources thus defined.

Midas Gold has long term liabilities of $0.7 million related to the notes payable on the acquisition of mineral claims and a royalty interest.

Midas Gold does not anticipate the payment of dividends in the foreseeable future.

It is management's opinion that based on the Corporation's current liquidity position, the Corporation will have sufficient assets to discharge its liabilities as they become due, to sustain its capital expenditures, to fund its 2011 exploration program and to meet its administrative and overhead requirements. However, no assurance can be given that these efforts will prove to be successful.

The Corporation's ability to raise funds and continue development activities is directly related to the results of its exploration and evaluation program as well as the price of gold and other potential by-products and general market conditions. If the cost of extracting the resources in the Golden Meadows Project is determined to be viable at some time in the future, and the price of gold and other potential by-products remains strong, then the Corporation expects to have limited liquidity issues.

When and if the Corporation decides to commence infrastructure development and production activities, it could become liable for significant environmental liabilities. Refer to "Environmental and Other Matters Pertaining to the Mineral Properties" section for additional details related future liquidity.

During the quarter ended June 30, 2011, the Corporation generated capital resources of $18.2 million through the issuance of share capital under a private placement and on the exercise of stock options and warrants.

Contractual Obligations

Office Rent

The Corporation's exploration office is located in Spokane Valley, Washington and 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.

Mining Claim Assessments

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

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, both of which are part of the Golden Meadows Project. Option payments on Yellow Pine are $100,000 for 2012 and 2013 and option payment on the Cinnabar prospect are $100,000 for 2012 to 2017.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements as of June 30, 2011 and the date of this MD&A.

RELATED PARTY TRANSACTIONS AND BALANCES

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.

There were no related party balances outstanding at June 30, 2011.

MINERAL PROPERTIES

The technical information in this MD&A has been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") was prepared under by or under the supervision of Stephen P. Quin, P. Geo., President and CEO of Midas Gold, and Christopher Dail, C.P.G., Project Manager for the Golden Meadows Project. Both Mr. Quin and Mr. Dail are "qualified persons" within the meaning of such term in NI 43-101.

For readers to fully understand the technical information in this MD&A, the technical information in this MD&A should be read in conjunction with the technical report entitled "NI 43-101 Technical Report on Mineral Resources, Golden Meadows Project, Valley County, Idaho" and dated June 6, 2011 (the "Technical Report") prepared by SRK Consulting (US) Inc., an independent firm of consulting engineers and scientists for the Golden Meadows Project. The Technical Report is available for viewing under the Corporation's profile on SEDAR at www.sedar.com. This technical information in this MD&A and the Technical Report are intended to be read as a whole, and sections should not be read or relied upon out of context. In addition, the technical information in the Technical Report is subject to the assumptions and qualifications contained in such report.

Golden Meadow Project

The Corporation's property holdings at the Golden Meadows Project are comprised of a collection of unpatented federal lode claims, unpatented mill site claims, patented federal lode claims and patented mill site claims. The Corporation acquired these rights through a combination of transactions.

The Golden Meadows Project includes three known deposits. Details on each known deposit are as follows:

Hangar Flats

Hangar Flats is a structurally controlled gold deposit hosted in intrusive rocks, with gold associated with sulphides in both the fault zone and adjacent rock. A total of 37 drill holes, consisting of 8,295m of drilling, were completed by the Corporation in 2009 and 2010. The drilling program covered an area which begins south of the old caved or closed portals of the historic Meadow Creek Mine and extends about 1,000m north of these portals.

As of June 30, 2011, the mineral resource database for the Hanger Flats Deposit is comprised of 137 drill holes totaling 17,245m and 2,652 underground samples totaling 4,173m. The maximum drill hole depth is 376m and the average is 126m. The current drilling covers 1,500m of strike length and a maximum of 500m down dip.

West End

The West End gold deposit has a primary structural control and secondary stratigraphic control, with gold occurring preferentially where certain rock types are cut by the West End or associated faults. The current drilling covers 1,300m of strike and a maximum down dip extent of 200m.

As of the end of 2010, a total of 729 drill holes had been completed in the West End area. The mineral resource estimation used 622 holes totalling of 55,407m, including 15 core holes drilled in 2010. There are 517 RC holes and 105 core holes with several different naming sequences that were used in the mineral resource estimation. The 107 holes not used were rotary drill holes, air track holes, or holes with no confirmed locations.

Yellow Pine

Yellow Pine is a structurally controlled gold deposit hosted in intrusive rocks, with gold associated with sulphides in both the fault zone and adjacent rock. There are five exploration data sets that support the current mineral resource estimation, all of which are historical, with no drilling completed in 2009 or 2010. The current drilling covers 1,500m of strike length and a maximum of 400m down dip.

As of June 30, 2011, 672 drill holes totalling 43,174m have been completed in the Yellow Pine deposit. The mineral resource estimation is supported by 619 drill holes excluding the churn-percussion drilling and other holes where pertinent supporting data is lacking.

District Exploration

Rock sampling and complementary detailed geological mapping and sampling of approximately 1,000m of prospect trenches was also undertaken along the Meadow Creek shear zone to the immediate south of the Yellow Pine deposit in 2009 and 2010. Approximately 20 line km of IP/Resistivity surveys were completed to the south of the Yellow Pine pit area in the same period, crossing the Meadow Creek Fault system and associated north striking structural elements.

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 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 and 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.

Overview of the Due Diligence Done by Midas Gold

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, Midas Gold 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 Midas Gold comprising part of the West End Deposit, and 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 Midas Gold were each recently advised of a proposed notice of environmental conditions pertaining to the Hangar Flats Deposit and Yellow Pine Deposit, which, if executed in its current form as part of the consent decree, could have a material adverse effect on Idaho Gold and Midas Gold 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. Midas Gold will review the proposed notice, if and when it is issued, to determine its possible effect on Midas Gold'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.

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.

2011 OUTLOOK AND GOALS

The Corporation has laid out an exploration program for 2011 that will include approximately 30,000m of core and RC drilling, additional geophysical surveys, additional rock and soil sampling surveys, metallurgical test work, preliminary engineering conceptual design work, economic studies and continued environmental studies.

The work planned by Midas Gold aims to further evaluate the mineral potential of the consolidated Golden Meadows property, unconstrained by historic property boundaries that impeded prior explorers in the area. The 2011 exploration program will use a combination of exploration methods, including airborne and ground geophysics and drilling. The program has four key objectives:

1. To upgrade the confidence levels in portions of the current mineral resources contained in the Hangar Flats, West End and Yellow Pine deposits (see news release dated April 20, 2011 for the current mineral resource estimates for all three deposits by type and category);
2. To better understand the potential for economically significant by-products of antimony, silver and tungsten;
3. To increase the overall mineral resources at Golden Meadows by exploring on strike and down dip of the currently defined mineral resources and further drilling areas where significant mineralization has been encountered in prior drilling, but where drill density is insufficient to support mineral resource estimation; and
4. To discover and if warranted, explore entirely new mineralized areas, especially in areas along the major mineralized trends with little or no drilling.

All permits for the 2011 exploration program are in hand and drilling commenced at the end of June, 2011. The airborne geophysical survey is also complete, results of which are pending.

In addition to its exploration program, Midas Gold plans to audit the existing environmental database and collect and supplement that extensive collection of scientific information with additional environmental baseline data that will facilitate future programs. Priority baseline studies requiring additional studies or data will be initiated in 2011 and the Corporation will continue to monitor the local environmental conditions. This information will also assist Midas Gold in developing effective mitigation strategies and best management practices to meet all applicable state and federal environmental standards related to its work. Midas Gold is also planning to undertake certain voluntary remediation and monitoring activities in cooperation with regulatory agencies, including water quality and stream flow measurements.

Total exploration expenditures are anticipated at approximately $10.5 million, with an additional approximately $1.25 million 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.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Critical Accounting Estimates and Judgments

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.

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.

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.

Changes in Accounting Policies Including Initial Adoption

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.

The following 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.

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.

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.

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.

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.

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.

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.

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 Company's operations as they are published.

FINANCIAL INSTRUMENTS

The Corporation determines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. IFRS provides three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets and liabilities.
Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Corporation financial instruments at June 30, 2011 are:

	Carrying and Fair Value ($ - Unaudited)
Financial Assets:	
Cash	18,821,191
Held to maturity:	
Reclamation bond	18,000
	18,839,191
Financial Liabilities:	
Other Financial Liabilities	
Accounts payable	1,570,070
Current portion of notes payable	177,697
Accrued interest on notes payable	2,287
Non-current portion of notes payable	565,724
	2,315,778

The reclamation bond is held with the U.S. Department of Agriculture, US Forest Service – Payette National Forest as a deposit for environmental remediation for exploration activities on the Golden Meadows project.

The promissory notes were issued as part of the Oberbillig Land Agreement and the Oberbillig Royalty Agreement. The notes have a fixed interest rate of 3% per annum, have a combined annual payment of $200,000 due each June 2 and mature on June 2, 2015.

The Corporation is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Corporation does not use other financial instruments to mitigate these risks and has no designated hedging transactions.

The risks and the management of these risks are:

Concentration Risk

Concentration risks exist in cash equivalents because the Corporation maintains a significant cash balance with one financial institution. Deposits in individual US banks in excess of Federal Deposit Insurance Corporation ("FDIC") limits ($250,000) are not insured by the FDIC. Deposits in individual Canadian banks in excess of Canadian Deposit Insurance Corporation ("CDIC") limits (C$100,000) are not insured by the CDIC.

Credit Risk

Credit risk primarily arises from the Corporation's cash and accounts receivable. The maximum risk exposure is limited to their carrying amounts at the balance sheet date. Cash is held as cash deposits or invested in certificates of deposit with various financial institutions. The Corporation periodically assesses the quality of its deposits and regularly reviews the collectability of its amounts receivable.

Liquidity Risk

There is the risk that the Corporation will not be able to meet its financial obligations. Since its inception, the Corporation has raised capital through sales of its shares. If such funding is not available in the future, either through the sale of shares through private placements or through the expected sale of the Corporation's shares on public markets, the Corporation's operations could be adversely effected. The Corporation manages its liquidity risk by planning, budgeting, monitoring and making necessary adjustments to cash flow to support its operating requirements.

Currency Risk

The Corporation maintains a significant portion of its cash balance in Canadian Dollars. There is a risk that the Corporation's cash balance be reduced on a fluctuation in the relevant exchange rate. The Corporation has a policy that all board approved expenditures be held in the currency they expect to be made in. Cash held in excess of board approved expenditures will be actively managed by the Corporation's management with consideration to the expected currency needs of the Corporation past board approved expenditures.

OUTSTANDING SHARE DATA

	August 8, 2011	June 30, 2011
Common shares issued and outstanding	103,618,781	91,311,081
Options outstanding	7,935,000	7,935,000
Warrants outstanding	1,333,334	1,333,334
Total	**112,887,115**	**100,579,415**

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

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
Balance, June 30, 2011	1,333,334	$ 0.50

RISKS AND UNCERTAINTIES

Midas Gold is subject to a number of significant risks due to the nature of its business and the present stage of its business development. Readers should carefully consider the risks and uncertainties described below, in addition to the risk factors discussed under the heading "Risk Factors" in the Corporation's final prospectus dated June 30, 2011 available under the Corporation's profile on SEDAR at www.sedar.com, before deciding whether to invest in Midas Gold common shares.

Midas Gold's failure to successfully address such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its common shares may decline and investors may lose all or part of their investment. Midas Gold cannot give assurance that it will successfully address these risks or other unknown risks that may affect its business. Estimates of mineral resources are inherently forward-looking statements subject to error. Although mineral resource estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. The timing and effects of variances from estimated values cannot be accurately predicted.

Industry Risks

Resource exploration and development is a high risk, speculative business.
Exploration for and development of mineral resource is a speculative business, characterized by a high number of failures. Substantial expenditures are required to discover new deposits and to develop the infrastructure, mining and processing facilities at any site chosen for mining. Most exploration projects do not result in the discovery of commercially viable deposits and no assurance can be given that any particular level of recovery or mineral reserves will in fact be realized by Midas Gold or that any mineral deposit identified by Midas Gold will ever qualify as a commercially viable deposit which can be legally and economically exploited.

Mineral exploration is subject to numerous industry operating hazards and risks, many of which are beyond Midas Gold's control and any one of which may have an adverse effect on its financial condition and operations.
The project and any future operations in which Midas Gold has a direct or indirect interest will be subject to all the hazards and risks normally incidental to resource companies. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the conduct of exploration programs and the operation of mines. If any of these events were to occur, they could cause injury or loss of life, severe damage to or destruction of property. As a result, Midas Gold could be the subject of a regulatory investigation, potentially leading to penalties and suspension of operations. In addition, Midas Gold may have to make expensive repairs and could be subject to legal liability. The occurrence of any of these operating risks and hazards may have an adverse effect on Midas Gold's financial condition and operations, and correspondingly on the value and price of Midas Gold's Common Shares.

Metal prices have fluctuated widely in the past and are expected to continue to do so in the future, which may adversely affect the amount of revenues derived from production of mineral reserves.
The commercial feasibility of Midas Gold's properties and its ability to arrange funding to conduct its planned exploration projects is dependent on, among other things, the price of gold and other potential by-products. Depending on the price to be received for any minerals produced, Midas Gold may determine that it is impractical to commence or continue commercial production. A reduction in the price of gold or other potential by-products may prevent Midas Gold's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of low precious metals prices.

Future revenues, if any, are expected to be in large part derived from the future mining and sale of gold and other potential by-products or interests related thereto. The prices of these commodities fluctuate and are affected by numerous factors beyond Midas Gold's control, including, among others:
• international economic and political conditions,
• expectations of inflation or deflation,
• international currency exchange rates,
• interest rates,
• global or regional consumptive patterns,
• speculative activities,
• levels of supply and demand,
• increased production due to new mine developments,
• decreased production due to mine closures,
• improved mining and production methods,
• availability and costs of metal substitutes,
• metal stock levels maintained by producers and others, and
• inventory carrying costs.

The effect of these factors on the price of gold and other potential by-products cannot be accurately predicted. If the price of gold and other potential by-products decreases, the value of Midas Gold's assets would be materially and adversely effected, thereby materially and adversely impacting the value and price of Midas Gold's common shares.

Exploration activities are subject to geologic uncertainty and inherent variability.
There is inherent variability between duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. There may also be unknown geologic details that have not been identified or correctly appreciated at the current level of delineation. This results in uncertainties that cannot be reasonably eliminated from the estimation process. Some of the resulting variances can have a positive effect and others can have a negative effect on mining and processing operations.

The quantification of mineral resources is based on estimates and is subject to great uncertainty.
The calculations of amounts of mineralized material within a mineral resource are estimates only. Actual recoveries of gold and other potential by-products from mineral resources may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio, or the price of gold and other potential by-products may affect the economic viability of a mineral property. In addition, there can be no assurance that the recoveries of gold and other potential by-products in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Notwithstanding the results of any pilot plant tests for metallurgy and other factors, there remains the possibility that the ore may not react in commercial production in the same manner as it did in testing.

Mining and metallurgy are an inexact science and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable. Until an un-mined deposit is actually mined and processed, the quantity of mineral reserves, mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral reserves, mineral resources, grade, percent extraction of those mineral reserves recoverable by underground mining techniques or stripping ratio for those mineral reserves recoverable by open pit mining techniques may affect the economic viability of a mining project.

The recent unprecedented events in global financial markets have had a profound impact on the global economy, in general and on the mining industry in particular.
Many industries, including the precious metal mining industry, are impacted by global market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but

not limited to, reduced consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, changes in interest rates and tax rates may adversely affect Midas Gold's growth and profitability potential.

Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and Midas Gold's overall liquidity;
- the volatility of gold and other potential by-product prices may impact Midas Gold's future revenues, profits and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- the devaluation and volatility of global stock markets impacts the valuation of the Corporation's equity securities, which may impact its ability to raise funds through the issuance of equity.

These factors could have a material adverse effect on Midas Gold's financial condition and results of operations.

Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.
Until the recent events in the global financial markets, increases in the prices of labour and materials, to some extent caused by an increase in commodity prices, including the prices of the metals being mined by the industry, led to significantly increased capital and operating costs for mining projects. Increasing costs are a factor that must be built in to the economic model for any mining project. Significant operating cost increases as experienced by the industry in recent years prior to the recent financial crisis had the effect of reducing profit margins for some mining projects. Such increases in both operating and capital costs need to be factored into economic assessments of existing and proposed mining projects and may increase the financing requirements for such projects or render such projects uneconomic.

Corporation's Risks

Midas Gold faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources and may not be able to effectively compete which would have an adverse effect on Midas Gold's financial condition and operations.
The mineral resource industry is intensively competitive in all of its phases, and Midas Gold competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect Midas Gold's ability to acquire suitable prospects for exploration in the future.

Midas Gold's exploration efforts may be unsuccessful in locating viable mineral resources.
Mineral resource exploration and, if warranted, development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in volume and/or grade to return a profit from production. There is no certainty that the expenditures that have been made and may be made in the future by Midas Gold related to the exploration of its properties will result in discoveries of mineralized material in commercial quantities.

Most exploration projects do not result in the discovery of commercially viable mineral deposits and no assurance can be given that any particular level of recovery or mineral reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially viable deposit which can be legally and economically exploited.

If Midas Gold's mineral resource estimates are not indicative of the actual gold that can be mined, the mineable gold that can be recovered from the Golden Meadows Project may be less than the mineral resource estimate and the Golden Meadows Project may not be a viable project.

Assays results from core drilling or reverse circulation drilling can be subject to errors at the laboratory analyzing the drill samples. In addition, reverse circulation or core drilling may lead to samples which may not be representative of the gold in the entire deposit. Mineral resource estimates are based on interpretation of available facts and extrapolation or interpolation of data and may not be representative of the actual deposit. All of these factors may lead to a mineral resource estimate which is overstated.

If Midas Gold's mineral resource estimates for the Golden Meadows Project are not indicative of actual recoveries of gold and other potential by-products, Midas Gold will have to continue to explore for a viable deposit or cease operations.

Midas Gold has a limited history as an exploration company and does not have any experience in putting a mining project into production.

Midas Gold has only been actively engaged in exploration since 2009. Midas Gold does not hold any mineral reserves and does not generate any revenues from production. Midas Gold's success will depend largely upon its ability to locate and develop commercially viable mineral reserves, which may never happen. Further, putting a mining project into production requires substantial planning and expenditures and, as a Corporation, Midas Gold does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate Midas Gold's prospects, and its future success is more uncertain than if it had a longer or more proven history.

Midas Gold expects to continue to incur losses and may never achieve profitability, which in turn may harm the future operating performance and may cause the market price of Midas Gold's Common Shares to decline.

Midas Gold has incurred net losses every year since inception. Midas Gold currently has no commercial production and has never recorded any revenues from mining operations. Midas Gold expect to continue to incur losses, and will continue to do so until such time, if ever, as its properties commence commercial production and generate sufficient revenues to fund continuing operations.

The development of new mining operations will require the commitment of substantial resources for operating expenses and capital expenditures, which may increase in subsequent years as Midas Gold adds, as needed, consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture or other agreements with others in the future, its acquisition of additional properties, and other factors, many of which are unknown today and may be beyond its control. Midas Gold may never generate any revenues or achieve profitability. If Midas Gold does not achieve profitability it will have to raise additional financing or shut down its operations.

Midas Gold's title to its mineral properties and its validity may be disputed in the future by others claiming title to all or part of such properties.

Midas Gold's properties consist of various mining concessions in the USA. Under USA law, the concessions may be subject to prior unregistered agreements or transfers, which may affect the validity of Midas Gold's ownership of such concessions. A claim by a third party asserting prior unregistered agreements or transfer on any of Midas Gold's mineral properties, especially where commercially viable mineral reserves have been located, could adversely result in Midas Gold losing commercially viable mineral reserves. Even if a claim is unsuccessful, it may potentially affect Midas Gold's current operations due to the high costs of defending against such claims and its impact on senior management's time. If Midas Gold loses a commercially viable mineral reserve, such a loss could lower Midas Gold's revenues or cause it to cease operations if this mineral reserve represented all or a significant portion of Midas Gold's operations at the time of the loss.

Midas Gold is subject to numerous government regulations which could cause delays in carrying out its operations, and increase costs related to its business.

Midas Gold's mineral exploration and development activities are subject to various laws and regulations governing operations, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing operations, or more stringent implementation thereof could substantially increase the costs associated with Midas Gold's business or prevent it from exploring or developing its properties.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Midas Gold and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Midas Gold has not completed an environmental impact statement, nor has it received the necessary permits for water or explosives to conduct mining operations.

The department responsible for environmental protection in the USA has broad authority to shut down and/or levy fines against facilities that do not comply with environmental regulations or standards.

Failure to obtain the necessary permits would adversely affect progress of Midas Gold's operations and would delay the beginning of commercial operations.

Midas Gold depends on key personnel for critical management decisions and industry contacts but does not maintain key person insurance.

Midas Gold is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of Midas Gold. Midas Gold's success is dependent to a great degree on its ability to attract and retain highly qualified management personnel. The loss of such key personnel, through incapacity or otherwise, would require Midas Gold to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. Midas Gold does not maintain key person insurance in the event of a loss of any such key personnel.

Midas Gold does not have a full staff of technical people and relies upon outside consultants to provide critical services.

Midas Gold has a relatively small staff and depends upon its ability to hire consultants with the appropriate background and expertise as they are required to carry out specific tasks. Midas Gold's inability to hire the appropriate consultants at the appropriate time could adversely impact Midas Gold's ability to advance its exploration activities.

Certain Midas Gold directors also serve as officers and/or directors of other mineral resource companies, which may give rise to conflicts.

Certain Midas Gold directors and officers are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties.

Such associations may give rise to conflicts of interest from time to time.

Midas Gold will need to raise additional capital though the sale of its securities, resulting in dilution to the existing shareholders, and if such funding is not available, Midas Gold's operations would be adversely effected.

Midas Gold does not generate any revenues from production and does not have sufficient financial resources to undertake by itself all of its planned exploration programs. Midas Gold has limited financial resources and has financed its operations primarily through the sale of Midas Gold's securities such as common shares. Midas Gold will need to continue its reliance on the sale of its securities for future financing, resulting in dilution to existing shareholders. Further exploration programs will depend on Midas Gold's ability to obtain additional financing, which may not be available under favourable terms, if at all. If adequate financing is not available, Midas Gold may not be able to commence or continue with its exploration programs.

Future sales of Midas Gold's Common Shares into the public market by holders of Midas Gold options and Warrants may lower the market price, which may result in losses to Midas Gold's shareholders.
Sales of substantial amounts of Midas Gold's common shares into the public market, by Midas Gold's officers or directors or pursuant to the exercise of options or warrants, or even the perception by the market that such sales may occur, may lower the market price of its common shares.

Midas Gold has no history of paying dividends, does not expect to pay dividends in the immediate future and may never pay dividends.
Since incorporation, neither Midas Gold nor any of its subsidiaries have paid any cash or other dividends on its common shares and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs.

Midas Gold's business involves risks for which Midas Gold may not be adequately insured, if it is insured at all.
In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including landslides, ground failures, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks. Midas Gold does not currently have insurance against all such risks and may decide not to take out insurance against all such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Midas Gold.

Midas Gold's activities are subject to environmental liability, which would have an adverse effect on its financial condition and operations.
Midas Gold is not aware of any claims for damages related to any impact that its operations have had on the environment but it may become subject to such claims in the future. An environmental claim could adversely affect Midas Gold's business due to the high costs of defending against such claims and its impact on senior management's time. Also, environmental regulations may change in the future which could adversely affect Midas Gold's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations would become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

A shortage of supplies and equipment could adversely affect Midas Gold's ability to operate its business.
Midas Gold is dependent on various supplies and equipment to carry out its operations. The shortage of such supplies, equipment and parts could have a material adverse effect on Midas Gold's ability to carry out its operations and therefore have a material adverse effect on the cost of doing business.

CAUTIONARY NOTE IN RESPECT OF MINERAL RESOURCES

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

The mineral resources at Golden Meadows are contained within areas that have seen historic disturbance resulting from prior mining activities. In order for Midas Gold to advance its interests at Golden Meadows, the project will be subject to a number of Federal, State and local laws and regulations and will require permits to conduct its activities.

This MD&A and the mineral resource estimates referenced in this MD&A use the terms “Measured Mineral Resources”, “Indicated Mineral Resources”, “Measured & Indicated Mineral Resources” and “Inferred Mineral Resources.” We advise you that while these terms are defined in and required by Canadian regulations, these terms are not defined terms under the U.S. Securities and Exchange Commission (“SEC”) Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant “reserves” as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Midas Gold is not a SEC registered company nor is any of its subsidiaries.