MIDAS GOLD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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	September 30, 2011	December 31, 2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 51,249,600	$ 4,805,707
Trade and other receivables		-	19,975
Prepaid expenses		293,498	58,567
		$ 51,543,098	$ 4,884,249
NON-CURRENT ASSETS			
Buildings and equipment, net	4	$ 1,301,853	$ 309,622
Exploration and evaluation assets	5	102,018,914	7,668,981
Reclamation bond		18,000	18,000
		$ 103,338,767	$ 7,996,603
TOTAL ASSETS		$ 154,881,865	$ 12,880,852
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		$ 3,058,319	$ 107,747
Current portion of note payable	6	177,697	172,521
Accrued interest payable		9,157	16,027
		$ 3,245,173	$ 296,295
NON-CURRENT LIABILITIES			
Long-term portion of note payable	6	$ 565,723	$ 743,421
TOTAL LIABILILITIES		$ 3,810,896	$ 1,039,716
EQUITY			
Share capital	7	$ 155,481,515	$ 12,562,316
Equity reserve	7	7,574,156	129,500
Deficit		(11,984,702)	(850,680)
TOTAL EQUITY		$ 151,070,969	$ 11,841,136
TOTAL LIABILITIES AND EQUITY		$ 154,881,865	$ 12,880,852

Commitments (Note 5, 6 and 9)

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		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
EXPENSES				
Salaries and benefits	$ 232,984	$ 63,577	$ 365,452	$ 207,672
Professional fees	34,491	17,983	332,107	76,532
Travel and related costs	127,695	18,394	234,609	56,689
Consulting	45,497	-	104,531	-
Share based payments	2,090,087	-	5,754,212	-
Shareholder and regulatory	291,490	3,721	311,698	3,721
Directors fees	41,586	-	41,586	-
Office and administrative	124,619	22,391	174,914	78,445
OPERATING LOSS	$ 2,988,449	$ 126,066	$ 7,319,109	$ 423,059
OTHER EXPENSES				
Foreign exchange loss	$ 3,881,529	$ -	$ 3,971,518	$ -
Interest income	(113,493)	(9,896)	(156,605)	(19,236)
Total other expenses	$ 3,768,036	$ (9,896)	$ 3,814,913	$ (19,236)
NET AND COMPREHENSIVE LOSS	$ 6,756,485	$ 116,170	$ 11,134,022	$ 403,823
NET LOSS PER SHARE, BASIC AND DILUTED	0.07	0.00	0.14	0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED	102,557,000	43,655,000	77,827,000	36,342,000

See accompanying notes to condensed consolidated interim financial statements.

Midas Gold Corp.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

Unaudited, expressed in US dollars except for number of shares

	Note	Issued Capital Shares	Issued Capital 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	7,654,500	7,117,816	-	-	7,117,816
Share based payments		-	-	9,500	-	9,500
Shares issued for services	7	277,500	55,500	-	-	55,500
Shares issued for services	7	35,000	35,000	-	-	35,000
Net and comprehensive loss for the period		-	-	-	(403,823)	(403,823)
BALANCE, September 30, 2010		43,812,000	$ 12,562,316	$ 129,500	$ (666,309)	$12,025,507

	Note	Issued Capital Shares	Issued Capital 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	-	-	10,010,822	-	10,010,822
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
Shares issued pursuant to initial public offering	7	13,930,855	43,003,230	-	-	43,003,230
Net and comprehensive loss for the period		-	-	-	(11,134,022)	(11,134,022)
BALANCE, September 30, 2011		105,241,936	$ 15,481,515	$ 7,574,156	$(11,984,702)	$ 151,070,969

See accompanying notes to condensed consolidated interim financial statements.

Midas Gold Corp.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine month periods ended September 30, 2011 and 2010
Unaudited, expressed in US dollars unless otherwise stated

	Three Months Ended		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
OPERATING ACTIVITIES:				
Net loss	$ (6,756,485)	$ (116,169)	$ (11,134,022)	$ (403,823)
Adjustments to reconcile net loss to net cash used in operating activities:				
Share based compensation	2,090,087	-	5,754,212	-
Depreciation	2,673	-	3,030	-
Unrealised foreign exchange loss	2,119,440	-	2,111,063	-
Changes in				
Prepaid expense	(92,167)	(34,799)	(234,931)	(90,616)
Trade and other receivables	-	15,164	19,975	(19,090)
Trade and other payables	(149,264)	123,105	(2,690)	368,184
Accrued salaries to related party	-	-	-	(45,000)
Accrued interest payable	6,870	7,539	(6,870)	(2,175)
Net cash used in operating activities	$ (2,424,959)	$ (5,160)	$ (3,136,346)	$ (192,520)
INVESTING ACTIVITIES:				
Purchase of exploration and evaluation assets	$ (5,567,594)	$ (2,667,285)	$ (8,374,775)	$ (3,488,112)
Restricted cash for drilling contract	-	(190)	-	(100,311)
Purchase of property and equipment	(455,508)	(1,309)	(660,857)	(301,037)
Net cash used in investing activities	$ (6,023,102)	$ (2,668,784)	$ (9,035,632)	$ (3,889,460)
FINANCING ACTIVITIES:				
Proceeds from issuance of common shares	$ 43,003,230	$ 200,000	$ 61,204,291	$ 8,831,816
Payment of deferred share issuance costs	346,567	-	49,052	-
Payment of note payable	-	13,075	(172,522)	(167,498)
Net cash provided by financing activities	$ 43,349,797	$ 213,075	$ 61,080,821	$ 8,664,318
Effect of foreign exchange on cash	(2,119,440)	-	(2,111,063)	-
Net increase in cash and cash equivalents	32,428,409	(2,460,869)	46,443,893	4,582,338
Cash and cash equivalents, beginning of period	18,821,191	8,597,952	4,805,707	1,554,745
Cash and cash equivalents, end of period	$ 51,249,600	$ 6,137,083	$ 51,249,600	$ 6,137,083
SUPPLEMENTAL CASH FLOW DISCLOSURE				
Interest paid in cash	-	10,900	27,478	30,327
Interest Received	113,493	-	156,605	-
Non-cash financing and investing activities				
Share based payments included in E&E (1)	487,645	15,000	2,324,999	90,000
Shares issued for mining interests included in E&E(1)	-	-	79,148,782	-
Depreciation capitalized in E&E(1)	42,335	10,614	92,125	31,645

(1) Exploration and evaluation assets

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 Company currently operates in one segment, mineral exploration. 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 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"). Pursuant to the Plan of Share Exchange, on closing of the Transaction, Midas was owned, on a diluted basis, 65% by the shareholders of MGI and 35% by Vista, excluding any contemporaneous or subsequent financings. 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 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. Below is a summary of the purchase consideration and the preliminary allocation of the purchase consideration to the assets acquired and the liabilities assumed. The determination of fair value is based upon management's preliminary estimates and certain assumptions with respect to the fair value associated with the assets acquired. The actual fair values of the assets may differ materially from the amounts disclosed below.

Value attributed to the 30,402,615 common shares issued for the acquisition of IGR	$ 79,148,742
Value of 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).

2. Basis of Preparation (Continued)

The preparation of these condensed consolidated interim financial statements is based on the accounting policies consistent with those applied to the interim financial statements of MGI for the year ended December 31, 2010. The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements, unless otherwise stated.

These condensed consolidated interim 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 nine month periods ended September 30, 2011 and 2010 were approved and authorized for issue by the board of directors on November 9, 2011.

3. Summary of Significant Accounting Policies

a. Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of 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 intercompany transactions and balances have been eliminated.

b. Cash and Cash Equivalents

For the purpose of the statement of financial position 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 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 has been and will be actively managed by the Corporation's management with consideration to the expected currency needs of the Corporation past board approved expenditures.

Cash and cash equivalents by are comprised of the following:

	September 30, 2011	December 31, 2010
Cash and cash equivalents – Held in Canadian dollars	$ 43,781,850	$ -
Cash and cash equivalents – Held in US dollars	7,467,751	4,805,707
	$ 51,249,601	$ 4,805,707

3. Summary of Significant Accounting Policies (Continued)

c. *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, recognition of deferred tax assets or liabilities, 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.

d. *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. The Company does not expect the below standards to have a material impact on the financial statements, although additional disclosures may be required.

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.

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

3. Summary of Significant Accounting Policies (Continued)

B. *Joint Arrangements (Continued)*

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. In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively.

Unaudited, expressed in US dollars unless otherwise stated

4. Buildings and Equipment

At September 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	691,802	396,927	1,088,729
Disposals	-	(2,065)	(2,065)
Balance, September 30, 2011	$ 724,941	$ 721,197	$ 1,446,138
Accumulated Depreciation			
Balance, December 31, 2010	$ 6,636	$ 43,215	$ 49,851
Disposals	-	(722)	(722)
Depreciation charge for the period	11,704	83,451	95, 155
Balance, September 30, 2011	$ 18,340	$ 125,944	$ 144,284
Carrying Value			
Balance, December 31, 2010	$ 26,502	$ 283,120	$ 309,622
Balance, September 30, 2011	$ 706,601	$ 595,253	$ 1,301,853

	Buildings	Equipment	Total
Cost			
Balance, December 31, 2009	$ 17,430	$ 33,576	$ 51,006
Additions	8,279	292,758	301,037
Balance, September 30, 2010	$ 25,709	$ 326,334	$ 352,042
Accumulated Depreciation			
Balance, December 31, 2009	$ 873	$ 3,358	$ 4,231
Depreciation charge for the period	1,749	29,894	31,643
Balance, September 30, 2010	$ 2,622	$ 33,252	$ 35,874
Carrying Value			
Balance, December 31, 2009	$ 16,557	$ 30,218	$ 46,775
Balance, September 30, 2010	$ 26,086	$ 293,082	$ 316,168

Depreciation expense included in exploration and evaluation assets was $92,125 (2010 – $31,645) (Refer Note 5) and depreciation expense was $3,030 (2010 – nil) for the nine months ended September 30, 2011.

Unaudited, expressed in US dollars unless otherwise stated

5. Exploration and Evaluation Assets

At September 30, 2011 and September 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 September 30, 2011
Acquisition Costs			
Mineral claims	$ 523,760	$ 764,482	$ 1,288,242
Royalty interest	1,026,750	-	1,026,750
Interest on notes payable	48,528	20,609	69,137
Mineral claims acquired from IGR (Note 1)	-	79,148,742	79,148,742
Exploration and Evaluation Expenditures			
Consulting and labor cost	1,819,838	6,160,529	7,980,367
Geochemistry and geophysics	673,459	473,819	1,147,278
Environmental	191,280	653,511	844,791
Drilling	2,520,996	4,645,435	7,166,431
Road and excavating	136,428	79,475	215,903
Haulage and helicopter	167,869	449,652	617,521
Camp and field supplies	560,073	1,366,897	1,926,970
Prepaid exploration and evaluation	-	586,782	586,782
Balance	$ 7,668,981	$ 94,349,933	$ 102,018,914

	As at December 31, 2009	Additions	As at September 30, 2010
Acquisition Costs			
Mineral claims	$ 523,760	$ 62,900	$ 586,660
Royalty interest	1,026,750	-	1,026,750
Interest on notes payable	11,332	30,327	41,659
Exploration and Evaluation Expenditures			
Consulting and labor cost	597,609	954,055	1,551,664
Geochemistry and geophysics	262,852	296,278	559,130
Environmental	49,774	99,745	149,519
Drilling	464,426	1,693,400	2,157,826
Road and excavating	11,228	121,696	132,924
Haulage and helicopter	9,244	55,043	64,287
Camp and field supplies	88,687	293,314	385,001
Balance	$ 3,045,662	$ 3,609,758	$ 6,655,420

Unaudited, expressed in US dollars unless otherwise stated

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 September 30, 2011, two payments of $100,000 each remain outstanding. On November 1, 2011, the Corporation made a payment of $100,000 in accordance with the option to Purchase Agreement. 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 September 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.

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

The promissory 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.

Notes payable at September 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, September 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, September 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 Nine Months Ended September 30, 2010 and September 30, 2011*

i. *Shares Issued for Services*

In the nine months ended September 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 nine month period ended September 30, 2011.

ii. *Shares Issued for Cash*

In the nine months ended September 30, 2010, MGI issued 8,500,000 and 7,454,500 common shares 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 period since December 31, 2010 and 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, 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, 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.

On July 14, 2011 the Corporation issued 12,307,700 common shares in its initial public offering (the "Offering") at a price of C$3.25 per share for gross proceeds of C$40,000,025 ($41,732,026). On August 14, 2011, related to the Offering, the Corporation issued 1,623,155 common shares at a price of C$3.25 per share for gross proceeds of C$5,275,254 ($5,362,295). The Corporation incurred share issue costs of $4,091,091 in connection with the Offering.

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.

Unaudited, expressed in US dollars unless otherwise stated

7. Share Capital (Continued)

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.

c. *Share purchase options*

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

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009	10,600,000	$ 0.22
Options granted	50,000	0.20
Balance, September 30, 2010	10,650,000	$ 0.22
Balance, December 31, 2010	10,650,000	$ 0.22
Options granted before Transaction	2,000,000	$ 0.50
Options exercised before Transaction	(4,600,000)	0.22
Options converted to Warrants in Transaction	(7,450,000)	0.30
Options exercised after Transaction	(250,000)	0.20
Options granted after Transaction	8,035,000	2.74
Balance, September 30, 2011	8,385,000	$ 2.63

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 nine months ended September 30, 2011, the Corporation allocated $2,256,610 to exploration and evaluation assets on the vesting of share purchase options.

During the nine months ended September 30, 2011, the Corporation also recorded $5,754,212 (2010 - $ nil) as share based payments on the vesting of share purchase options.

During the nine months ended September 30, 2011, the total amount of share based payments recorded as exploration and evaluation assets and share based payment expense was $10,010,822 (2010 - $90,000).

Unaudited, expressed in US dollars unless otherwise stated

7. Share Capital (Continued)

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	$2.74	$0.20
Risk-free interest rate	2.67%	1.05%
Expected term (in years)	5.0	2.0
Expected share price volatility	83.0%	250.0%
Expected dividend yield	0.0%	0.0%
Expected forfeiture	5.0%	0.0%

An analysis of outstanding share purchase options is as follows:

Options Outstanding	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
350,000	$0.20	2.8	Jul-31-2014
6,675,000	$2.59	4.6	Apr-18-2016
910,000	$3.32	4.7	Jun-06-2016
450,000	$3.83	5.0	Sep-26-2016
8,385,000	$2.64	4.5	

Options Vested and Exercisable	Exercise Price	Remaining Contractual Life (Years)	Expiry Date
350,000	$0.20	2.8	Jul-31-2014
2,225,000	$2.59	4.6	Apr-18-2016
303,333	$3.32	4.7	Jun-06-2016
150,000	$3.83	5.0	Sep-26-2016
3,028,333	$2.45	4.4	

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 nine months ended September 30, 2011:

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

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

Unaudited, expressed in US dollars unless otherwise stated

8. Compensation of Key Management Personnel

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

	September 30, 2011	September 30, 2010
Salaries and consulting fees	$ 262,780	$ 339,835
Share based payments	$ 4,149,963	$ 59,500

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

9. Commitments

Other material commitments are disclosed in Note 5, and 6.

a. *Office Rent*
The Corporation entered into a various lease agreements for office space. The total rent obligation over the next five years is as follows:

	September 30, 2011		
	Within 1 year	Between 2 and 5 years	Total
Minimum rental payments	$ 460,211	$ 904,282	$ 1,364,493

b. *Mining Claim Assessments*
The Corporation currently holds mining claims on which it has an annual assessment obligation of $194,600 in order to maintain the claims in good standing. The Corporation is committed to this for the indefinite future.