MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The information included in this Management Discussion and Analysis ("MD&A") dated March 13, 2012, is of the operating results and financial condition of Midas Gold Corp. ("Midas Gold" or the "Corporation") for the year ended December 31, 2011 compared to the year ended December 31, 2010. Amounts are presented in the Corporation's functional currency, the US dollar, 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 consolidated financial statements of the Corporation for the year ended December 31, 2011 and 2010. The Corporation's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

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 ("IPO") 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 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 was owned, on a diluted basis, 65% by the shareholders of MGI and 35% by Vista, excluding any contemporaneous or subsequent financings. On closing of the transaction, 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, this MD&A has been prepared to reflect the financial position and results of operations as if these entities had been consolidated since their inception.

HIGHLIGHTS

Midas Gold listed on the Toronto Stock Exchange ("TSX") on July 14, 2011, with the IPO raising gross proceeds of C$40.0 ($41.7) million through the issuance of 12,307,700 common shares at a price of C$3.25. The Corporation received an additional C$5.3 ($5.4) million through the issuance of 1,623,155 common shares through the exercise of the over-allotment option that was granted to the agents of the IPO.

During the year ended December 31, 2011, the Corporation undertook an extensive exploration program at Golden Meadows and results of the drilling program and district-wide airborne geophysical survey have been released throughout the year. This program is continuing into 2012. In an effort to rapidly advance the exploration and evaluation of the Golden Meadows Project, the Corporation embarked on its first winter drill program in January 2012 and plans to continue its exploration and evaluation activities throughout 2012. Additional details related to these results are discussed in the Mineral Properties section of this MD&A.

On February 14, 2012, the Corporation closed a private placement financing for a total of 9,085,000 special warrants of the Corporation at a price of C$4.45 for aggregate gross proceeds of C$40.4 ($40.8) million. The offering included 7,900,000 special warrants and the exercise of the over-allotment option to purchase an additional 1,185,000 special warrants.

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, share based compensation and carrying value of properties; and
- 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 unless required to do so by law or regulation.

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 metal 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 implications of past and future consent decrees entered into by prior owners of some of the mineral properties comprising the Project in respect of past 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.

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited consolidated financial information of the Corporation for the year ended December 31, 2011, December 31, 2010 and the period April 2, 2009 (inception) through December 31, 2009:

Year Ended (All amounts in $)	Revenue	Net Loss and Comprehensive Loss	Basic & Diluted Loss per Share	Total Assets	Long Term Liabilities	Cash Dividend
December 31, 2011	-	(13,437,721)	(0.16)	156,467,170	562,708	-
December 31, 2010	-	(588,194)	(0.02)	12,880,852	743,421	-
December 31, 2009	-	(262,486)	(0.02)	4,680,775	894,772	-

RESULTS OF OPERATIONS

Net Loss and Comprehensive Loss

	Three Months Ended		Twelve Months Ended	
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
EXPENSES				
Salaries and benefits	$ 571,334	$ 68,197	$ 936,786	$ 275,869
Professional fees	164,626	51,971	496,733	128,503
Travel and related costs	76,177	17,290	310,786	73,979
Consulting	(867)	-	103,664	-
Share based compensation	2,907,206	-	8,661,418	-
Shareholder and regulatory	54,467	704	366,165	4,425
Directors fees	62,638	-	104,224	-
Office and administrative	113,434	49,805	288,348	128,250
OPERATING LOSS	$ 3,949,015	$ 187,967	$ 11,268,124	$ 611,026
OTHER EXPENSES				
Foreign exchange loss	$ (1,525,461)	$ -	$ 2,446,057	$ -
Interest income	(119,855)	(3,596)	(276,460)	(22,832)
Total other expenses	$ (1,645,316)	$ (3,596)	$ 2,169,597	$ (22,832)
NET LOSS AND COMPREHENSIVE LOSS	$ 2,303,699	$ 184,371	$ 13,437,721	$ 588,194

Net loss and comprehensive loss for Midas Gold for the three month period ending December 31, 2011 was $2.3 million or $0.02 per common share, compared with $0.2 million or $0.01 loss per share for the corresponding period of 2010. Net loss and comprehensive loss for Midas Gold for the year ending December 31, 2011 was $13.4 million or $0.16 per common share, compared with $0.6 million or $0.02 loss per share for the corresponding period of 2010. The increased loss primarily related to increased salaries, share based compensation and additional costs related to listing on the TSX in the year, all related to the significantly increased level of activity of the Corporation, including the on-going exploration and evaluation of the Project.

For the three months ended December 31, 2011 the Corporation's main focus was the balance of the 2011 exploration program at the Project. During the year ended December 31, 2011, the Corporation's main focus was the closing of the IPO, the concurrent listing of Midas Gold's common shares on the TSX and the Corporation's 2011 exploration and evaluation program at the Project.

An analysis of each line item is as follows:

Salaries and Benefits

This expense relates to the salaries and benefits of the employees that are not directly related to the exploration and evaluation of the Golden Meadows Project. This expense for the quarter and year ended is higher than the prior year, due to additional staff performing corporate roles that joined the Corporation in mid-2011 to manage its obligations as a public company following the listing on the TSX and the Corporation's significantly increased level of activities.

Professional Fees

This expense relates to the legal and accounting costs of the Corporation. The legal fees are significantly higher in current year as the Corporation prepared for the Transaction on April 6, 2011 and additional legal expenses subsequent to listing on the TSX. The accounting expense is consistent with the prior year for the quarter and year ended.

Travel and Related Costs
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 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, the field office in McCall, Idaho and the Project. There were additional travel costs for management in connection with the marketing of the Corporation to the investing community.

Consulting
This expense relates to consulting services provided to the Corporation that do not relate to the exploration and evaluation of Golden Meadows. Consulting costs have increased in the current quarter and year when compared to the previous year as a result of the consulting work performed in relation to the Corporation's Transaction on April 6, 2011. Additional corporate consulting costs have also been incurred in the year as result of the Corporation now being listed on the TSX.

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 Golden Meadows. This expense is higher for the quarter and year ended when compared to the prior year as there was no granting or vesting of options in 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 consolidated financial statements for the period ended December 31, 2011.

Shareholder and Regulatory
This expense relates to marketing, licenses and fees, and shareholder communications. This expense has increased in the quarter and year ended when compared to the prior year as a result of the Corporation's TSX listing. The main expense for the year was the $0.2 million recurring listing fee paid to the TSX.

Directors Fees
Effective August 1, 2011, each of the Corporation's independent directors were entitled to annual base fee of C$24,000, paid in quarterly installments, with the Chair of the Board, Chairs' of Board Committees and Members of Board Committee receiving additional fees commensurate with the each role.

Office and Administrative
This expense relates to the setup of an office in Vancouver, BC and the cost of the office in Spokane, WA. After March 31, 2011, the Spokane, WA office is used in direct support of exploration and evaluation activities and the expense has been capitalized to exploration and evaluation assets. The expense for the quarter and year ended was higher than the prior year as a result of the existence of two corporate offices.

Foreign Exchange
This expense relates to translation loss on the Corporation's Canadian dollar denominated balances as at December 31, 2011.

Interest Income
This income results from interest received on the Corporation's cash balances. This amount increased in the current quarter and year as a result of the increased cash balances held by the Corporation due to the completion of a private placement financing, the IPO and subsequent exercise of the overallotment option.

Exploration and Evaluation Assets

A summary of additions to exploration and evaluation assets for the three and twelve month periods ended December 31, 2011 is as follows:

	Three Months Ended		Twelve Months Ended	
	31-Dec-11	**31-Dec-10**	**31-Dec-11**	**31-Dec-10**
Exploration and Evaluation Acquisition Costs				
Mineral claims	$ 218,540	$ 21,005	$ 983,022	$ 83,905
Interest on notes payable	3,761	6,869	24,370	37,196
Mineral claims acquired from Vista	-	-	79,148,742	-
Exploration and Evaluation Expenditures				
Consulting and labor cost	3,113,329	278,881	9,273,858	1,232,936
Geochemistry and geophysics	583,111	114,329	1,056,930	410,607
Environmental	912,396	41,761	1,565,907	141,506
Drilling	5,498,314	363,170	10,143,749	2,056,570
Road and excavating	323,823	3,504	403,298	125,200
Haulage and helicopter	303,281	103,582	752,933	158,625
Camp and field supplies	3,461,966	80,460	4,828,863	376,774
Prepaid exploration and evaluation	(30,056)	-	556,726	-
NET ADDITIONS TO EXPLORATION AND EVALUATION ASSETS	$ 14,388,465	$ 1,013,561	$ 108,738,398	$ 4,623,319

An analysis of each line item is as follows:

Mineral Claims

This item relates to the costs associated with acquiring mineral claims through staking or purchasing. During the year ended December 31, 2011, the Corporation staked 903 claims contiguous to previous Golden Meadows property boundaries. The Corporation incurred a cost for this staking of $0.2 million. During the quarter ended June 30, 2011, the Corporation acquired interests in two additional parcels of mineral claims contiguous to the original Golden Meadows Project. One group of nine patented load mining claims was purchased for $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 nine year period, of which a payment of $0.2 million was made on signing.

Interest on Notes Payable

Interest on Notes Payable 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 twelve month period ended December 31, 2011 is consistent with the comparable period from the prior year.

Consulting and Labour Cost

This item relates to the costs associated with staffing the Golden Meadows Project. Staffing costs increased in the current quarter and year ended December 31, 2011 when compared to the prior year due to the significantly increased level of Project activities and since the current quarter and year include $0.5 million and $4.8 million in share based compensation, respectively, reflecting the grant of stock options to employees and consultants working on the project.

Geochemistry and Geophysics

These costs relate to the analysis of drill cores, rock samples and soil samples and to the geophysical exploration programs completed at Golden Meadows. This expense has increased in the current quarter and year as the Corporation significantly increased and extended its exploration and evaluation activities for the year and undertook an airborne electromagnetic and resistivity survey over the entire property. This expense is higher for the quarter as the Corporation continued its drill program into the fourth quarter, which did not occur in 2010.

Environmental
These items relate to the cost associated with the assessment of environmental conditions at Golden Meadows and, where appropriate, the voluntary 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 increased and as the Corporation undertook an expanded exploration program in 2011 and prepared for continued activities in 2012.

Drilling
Drilling costs relate to the exploration and evaluation of mineralized areas at Golden Meadows. Costs incurred in the current year relate to mobilization and set up costs and drilling started at Golden Meadows in late June 2011. The costs for the current quarter and year have increased when compared to the prior year as the Corporation is drilling more meters with more drill rigs and extended these activities into late fourth quarter 2011.

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 higher when compared to the prior year as the Corporation had significant road rehabilitation, improvement and building program that was performed in the quarter ended December 30, 2011 in preparation for the winter drill activities.

Haulage and Helicopter
These costs 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 intensified drill program underway at Golden Meadows in the current quarter and year, which was partly helicopter-supported.

Camp & Field Supplies
This item relates to the operation of the two camps the Corporation maintains. During the summer of 2011, a temporary 24-man tent camp was established at Stibnite and, in the fourth quarter of 2011, a new 60-man camp was purchased and installed in the town of Yellow Pine, which supplements the Corporation's new 24-man camp at Stibnite. The new Yellow Pine and Stibnite camps accounts for the increase in the quarter and year.

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

Total Assets

Total assets increased during the year ended December 31, 2011 from $12.9 million to $156.5 million primarily as a result of the Transaction, which accounted for $79.1 million of the increase, and the contemporaneous private placement and initial public offering of $58.5 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. Throughout 2011, the Corporation used the proceeds from its share offerings to advance the exploration and evaluation of the Golden Meadows Project.

Equity

Equity increased during the year ended December 31, 2011 from $11.8 million to $152.2 million primarily as a result of the above mentioned Transaction, which accounted for $79.1 million of the increase, issuance of shares through a private placement of $15.6 million and IPO of $42.9 million, on the exercise of options and warrants of $2.7 million and recognition of share based compensation of $13.5 million.

Total Liabilities

Total liabilities increased during the year ended December 31, 2011 from $1.0 million to $4.2 million primarily as a result of increased accounts payable as at December 31, 2011 of $3.4 million. The increase in accounts payable is related to the increased activity within the Corporation with an ongoing drill program at December 31, 2011, which did not occur in 2010. 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's net increase in cash and cash equivalents for the year was $32.1 million. Cash received from financing activities for the year was $61.1 million as a result of the issuance of shares through a private placement, IPO and through the exercise of options and warrants. This inflow from financing activities was offset by outflows from operating and investing activities.

Operating cash flows for the quarter and year ended December 31, 2011 were $0.6 million and $2.9 million, respectively. Operating cash flows increased in the quarter and year ended December 31, 2011 with the establishment of a Vancouver office and increased corporate activity related to the Corporation's Transaction, private placement and IPO that closed during the year.

Investing cash flows for the quarter and year ended December 31, 2011 were $15.2 million and $24.2 million, respectively. Investing cash flows increased in the quarter and year ended with the increased exploration and evaluation expenditures that resulted from the 2011 Golden Meadows exploration program, which was is substantially larger than in the prior year.

Use of Proceeds

The actual use of proceeds, as at December 31, 2011 in comparison to the proposed use of proceeds included in the Corporation's prospectus dated June 30, 2011, is outlined below.

Expense Category [(1)] **(in millions)**		**Proposed Use of Proceeds [(2)]**		**Actual Use of Proceeds**		**Remaining to be Spent / Difference**
Exploration & Evaluation Assets	$	30.7	$	22.0	$	8.7
Building & Equipment		0.6		2.5		(1.9)
Notes Payable		0.2		0.2		-
General & Administrative		3.8		1.7		2.1
General / Closing Working Capital		23.6		33.7		(10.1)
	$	58.9	$	60.1	$	(1.2)

(1) *Expense categories have been consolidated from the June 30, 2011 prospectus for easier reference to this MD&A. For more details refer to the Corporation`s prospectus dated March 8, 2012.*

(2) *The proposed use of proceeds has been restated in US Dollars at an exchange rate of US$1.00 = C$0.97.*

Exploration & Evaluation Assets

The difference of $8.7 million is due primarily to the proposed use of proceeds being for a twelve month period from the date of the IPO prospectus, as opposed to the six months reported on to date. It is expected that the remaining $8.7 million will be incurred in the quarter ended March 31, 2012 and the Corporation will further explore and evaluate the Project from the remaining working capital and from additional proceeds from the issuance of special warrants on February 14, 2012.

Buildings & Equipment

The difference of $1.9 million relates to increased spending in preparing the Project for a winter drill program, which was not contemplated at the time of the IPO prospectus. This winter drill program commenced in January 2012.

Notes Payable
There is no difference on this obligation.

General & Administrative
The difference of $2.1 million is due primarily to the proposed use of proceeds being for a twelve month period from the date of the IPO prospectus, as opposed to the six months reported on to date. It is expected that the remaining $2.1 million will be incurred in the six months ended June 30, 2012.

Closing Working Capital
The difference of $10.1 million predominantly relates to the remaining expenditures to be made on the Exploration & Evaluation of the Golden Meadows Project and General & Administrative costs during the first half of 2012, as noted.

QUARTERLY RESULTS

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

Quarter Ended (All amounts in $)	Revenue	Net Loss and Comprehensive Loss	Basic & Diluted Loss per Share	Total Assets	Long Term Liabilities	Cash Dividend
December 31, 2011	-	(2,303,700)	(0.02)	156,467,170	562,708	-
September 30, 2011	-	(6,756,485)	(0.07)	154,881,865	565,723	-
June 30, 2011	-	(3,401,319)	(0.04)	114,210,141	565,723	-
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	-

The increases in the net loss and comprehensive loss for the quarters ended December 31, 2011, September 31, 2011 and June 30, 2011 is primarily related to the increase in salaries, 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. The increase in total assets in the quarter ended September 30, 2011 is mainly due to the IPO and increase in exploration and evaluation activity.

CAPITAL RESOURCES AND LIQUIDITY

Capital resources of Midas Gold consist primarily of cash and liquid short-term investments. As at December 31, 2011, Midas Gold had cash totalling approximately $37.0 million, approximately $0.4 million in other current assets and $3.5 million in trade and other payables.

As a result of the IPO and preceding private placements, as well as the recent special warrant financing, Midas Gold has sufficient funds to further advance the Golden Meadows property and plans to do so by:

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

Midas Gold has long term liabilities of $0.6 million related to the notes payable on the acquisition of mineral claims and the purchase of a royalty interest.

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

It is management's opinion, based on the Corporation's current liquidity position, that the Corporation will have sufficient assets to discharge its liabilities as they become due, to sustain its capital expenditures, to fund its 2012 exploration and evaluation 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 exploration, evaluation and potential future 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 mineral 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.

During the year ended December 31, 2011, the Corporation generated capital resources of $61.3 million through the issuance of share capital under a private placement and IPO, exercise of over-allotment option, and on exercise of stock options and warrants.

Subsequent to year end, the Corporation generated capital resources of $40.8 million through a private placement financing for special warrants and over-allotment option.

Contractual Obligations

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:

	December 31, 2011		
	Within 1 year	Between 2 and 5 years	Total
Minimum rental payments	$ 460,222	$ 904,292	$ 1,364,514

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 $194,600. The Corporation is committed to this for the indefinite future in order to maintain its title to these claims.

Options Payments on Mining Claims

The Corporation is obligated to make option payments on mineral claims comprising the Yellow Pine deposit and the Cinnabar prospect, both of which are part of the Golden Meadows Project, in order to maintain title to these claims. The Option payment for Yellow Pine is $100,000 for 2012 and the option payments due on the Cinnabar prospect are $100,000 for 2012 through 2017.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements as of December 31, 2011 and the date of this MD&A.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the year ended December 31, 2011, compensation of directors and officers and other key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the Corporation was:

	December 31, 2011	December 31, 2010
Salaries and consulting fees	$ 639,106	$ 339,835
Share based compensation	5,884,583	59,500
	$ 6,523,689	$ 399,335

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the year ended December 31, 2011 and 2010.

There were no balances outstanding with related parties at December 31, 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") and reviewed and approved by Stephen P. Quin, P. Geo., President and CEO of Midas Gold, and Christopher Dail, C.P.G., Exploration Manager for the Golden Meadows Project. The exploration activities at Golden Meadows in 2011 were carried out under the supervision of Christopher Dail, C.P.G., Qualified Person and Exploration 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. The 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.

<u>Golden Meadow Project</u>

The Corporation's property holdings at the Golden Meadows Project are comprised of a contiguous package of unpatented federal lode claims, unpatented mill site claims, patented federal lode claims and patented mill site claims encompassing approximately 11,600 hectares. The Corporation acquired these rights through a combination of transactions and staking.

The Golden Meadows Project includes three known mineral deposits with identified mineral resources. During 2011, 107 holes were completed at the Project, totaling 23,860m of drilling and drilling is continuing in 2012. A summary of each known mineral deposit 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 defined by historic drilling, the Corporation's drilling and in underground workings. A total of 37 drill holes, consisting of 8,295m of drilling, were completed by the Corporation in 2009 and 2010.

During 2011, a total of 12 drill holes consisting of 4,265m of drilling, were completed. 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. The completed drilling covered 1,500m of strike length and a maximum of 500m down dip and drilling resumed in early 2012.

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. As of the end of 2010, a total of 729 drill holes had been completed in the West End area and covered 1,300m of strike and a maximum down dip extent of 200m.

During 2011, the Corporation conducted an abbreviated exploration drilling program at West End with the objective of upgrading the confidence level in the existing mineral resources and testing the potential to expand them. During 2011, a total of 9 holes consisting of 1,353m of drilling were completed through December 31, 2011. Additional drilling is planned for 2012.

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 by the Corporation in 2009 or 2010. That drilling covers 1,500m of strike length and a maximum of 400m down dip.

During 2011, the Corporation conducted a drilling program at Yellow Pine with the objective of upgrading the confidence level in the existing mineral resources and expanding them. To December 31, 2011, 83 holes have been completed as part of this 2011 program, totaling approximately 17,413m and drilling is continuing in 2012.

District Exploration

During 2011, the Corporation completed a detailed airborne geophysical survey over the mineral claims held as of the date of the IPO and surrounding areas. As a result of the trends and anomalies identified in this survey, The Corporation staked an additional 903 unpatented federal lode mining claims encompassing approximately 7,284 hectares during the second half of 2011, more than doubling the size of the land package at Golden Meadows to its current approximately 11,600 hectares. Additional exploration activities within the expanded land package include collection of soil and rock samples and geologic mapping. In addition, three holes totaling 829m were completed near the Stibnite camp and shop to test historic ground geophysical targets and determine the camp site's suitability for future infrastructure use.

Environmental and Other Matters Pertaining to Golden Meadows

The Golden Meadows Project is located in a historic mining district that has seen active mining, 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.

For additional disclosure on the Environmental and Other Matters refer to the Corporation's Annual Information Form for the year ended December 31, 2011 and prospectuses dated June 30, 2011 and March 8, 2012.

Jurisdictional Authorities

For its activities at Golden Meadows, the Corporation is 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. Golden Meadows 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.

Earlier in 2011, Idaho Gold and Midas Gold were each 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 further 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 2012 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.

2012 OUTLOOK AND GOALS

Drilling continued on site and approximately 16,000 to 17,000m of drilling are planned for the first five months of 2012, focused on the continued definition and expansion of the existing mineral resources at Golden Meadows, with drilling split into two phases. Phase 1 wrapped up drilling at Hangar Flats and Yellow Pine originally planned for 2011 that will be used to update the mineral resource estimates for the three main deposits and incorporate those estimates into an independent preliminary economic assessment ("PEA") scheduled for completion during 2012. Phase 2 drilling, which commenced in February and will continue until spring thaw, will focus in definition and step-out drilling at both the Hangar Flats and Yellow Pine deposits in support of a planned subsequent preliminary feasibility study ("PFS"). Exploration drilling, for entirely new deposits, will run in parallel with the Phase 2 drilling, is subject to the granting of additional permits. Total drilling and related expenditures during Phase 1 and Phase 2 are expected to total approximately US$9 million.

In parallel with the drilling and completion of the PEA, Midas Gold plans to commence, to the extent reasonable, the process of advancing the project towards completion of a PFS, including the Phase 2 drilling noted above, extensive metallurgical, mine planning, engineering and other work, and to continue to advance environmental baseline studies and monitoring activities in support of potential permit applications, as well as all camp, logistics and support for the drilling activities. It is estimated that these additional technical, environmental and permitting activities, as well as camp and support costs but excluding drilling and related costs, will result in additional expenditures of approximately US$7 to US$8 million in the first half of 2012.

Significant additional work, including extensive drilling, is planned for the second half of 2012, but the scope of such work will be determined once mineral resource updates and technical studies have been completed, and is subject to additional permitting requirements.

As set out in the prospectus filed March 8, 2012, in 2012 and beyond, the Corporation estimates expenditures (including the Phase 1 and Phase 2 drilling and the additional technical work described above) will total approximately $48.17 million, including $23.75 million on drilling and related activities, $9.26 million on permitting, environmental and regulatory costs, $6.52 million on exploration outside of the three known deposits, and $6.18 million on technical work in support of the PEA scheduled for completion in Q3/12 and the subsequent PFS. In addition, capital expenditures of $2.46 million are planned to support these activities.

Initial 2012 Program

Given that Midas Gold has not yet updated its mineral resource estimates to incorporate the results of the 2011 drilling, nor completed its first economic evaluation on the Golden Meadows Project, the initial 2012 work plan and budget has been designed to complete these studies, while continuing to progress the project towards the subsequent objectives of completing a PFS and potential permitting of a mining operation. In order to achieve and accelerate these objectives in a time-effective manner, Midas Gold plans to conduct its work on three parallel tracks:

> Track 1 - Complete a PEA: A limited amount of additional drilling on the Yellow Pine and Hangar Flats deposits (Phase 1), and possible extensions, was completed in early 2012 and this drilling (combined with the 2011 and prior drilling) is being utilized in preparing an independent, updated mineral resource estimate for each of the Hangar Flats, Yellow Pine and West End deposits scheduled for completion during Q2/12. These updated mineral resource estimates, along with additional metallurgical, engineering and other technical information, will be used to complete an independent PEA in Q3/12.
>
> Track 2 - Advance a PFS: In parallel and overlapping with Track 1, advance the project towards completion of an independent PFS. As much as possible, work currently being undertaken for the PEA is being advanced towards PFS standards, but additional infill drilling (Phase 2 and subsequent drilling) will be required to continue converting any remaining inferred mineral resources to higher levels of confidence, as will further metallurgical work beyond that being used in the PEA, plus additional engineering and other studies. By completing as much of the work currently underway as possible towards PFS standards, the overall timeframe to complete a PFS should be reduced.
>
> Track 3 - Exploration for new deposits: In order to build a pipeline of potential new mineral prospects that could eventually develop into new mineral resources, Midas Gold plans to conduct systematic, intensive exploration across its Golden Meadows Property. A full pipeline, from early stage prospects to resource definition, will assist Midas Gold in determining the ultimate mineral potential of this prolific gold system. This exploration work, involving mapping, sampling, geophysics and drilling will be conducted in parallel with Track 1 and Track 2.

SRK Consulting (Canada) Inc. ("SRK") has been retained to complete updating of the mineral resource estimates for the Golden Meadows project, as well as to complete the independent, National Instrument 43-101 compliant PEA. SRK has retained Ausenco Systems Canada Inc. to assist with the processing and infrastructure aspects of the PEA, and is working with Blue Coast Metallurgy Ltd. on the mineralogical and metallurgical aspects of the project.

Initial Work Plan

During Phase 1 and Phase 2 of drilling program, approximately $9.0 million will be spent on infill, step-out and exploration drilling utilizing four core and two reverse circulation ("RC") drill rigs, assisted by a sonic rig, which should complete 16,000m to 17,000m of drilling during this period, prior to the spring thaw.

In Phase 1, one core drill completed drilling three holes at Yellow Pine which, in conjunction with the 2011 drilling, is being used to update the Yellow Pine mineral resource estimate. At the same time, two RC and three core rigs commenced additional drilling at Hangar Flats, focused on the northern and southern ends of the Hangar Flats mineralized system, with the objective of increasing the mineral resource, increasing the confidence level of the existing mineral resource and reducing the overall strip ratio by potentially converting unclassified mineralization to mineral resources. This drilling was completed in February and, as with Yellow Pine, is being used (in conjunction with the 2011 and earlier drilling) to update the Hangar Flats mineral resource estimate.

Only limited drilling was completed at West End in 2011 and no more drilling is planned until the second half of 2012 in this area, so geologic modeling and updating of the mineral resource estimate for West End is already in process and will include both 2010 and 2011 drilling not previously not incorporated into the mineral resource estimate announced on February 22, 2011.

As drills have now completed Phase 1 of the drilling outlined above, they have commenced Phase 2 drilling, infilling and stepping out on the Hangar Flats and Yellow Pine deposits in support of the planned PFS, and continue drilling until spring thaw and are expected to resume drilling once conditions dry out, at which time drilling on the West End deposit can also recommence.

During Phase 1 and Phase 2, one or more drills will be assigned to exploring new prospects for their potential to host entirely new deposits, subject to granting of the necessary permits. It is anticipated that infill, step out and exploration drilling will continue through the balance of the year, but where and how much will be determined once the updated mineral resource estimates have been evaluated for needed additional infill and step-out drilling to fully define all three deposits, and granting of additional permits.

Additional expenditures will be incurred in parallel with the Phase 1 and Phase 2 drilling towards preparation of environmental baseline studies and an environmental impact statement, as well as other permitting and regulatory activities. Midas Gold has retained HDR Engineering Inc. of Boise, Idaho, to assist with the environment baseline and permitting related matters. In support of the PEA and subsequently planned PFS, the extensive metallurgical studies currently underway will continue under the supervision of Blue Coast Metallurgy, as will engineering and other work leading up to completion of the PEA in Q3/12 and subsequent studies under SRK and Ausenco. Additional capital equipment purchases are planned related to continuing to improving camp, field facilities and communications and network infrastructure to support sustained, higher levels of field activities over the next several years.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

1) <u>Economic recoverability and probability of future economic benefits of exploration evaluation and development costs</u>
   Management has determined that exploratory drilling, evaluation, development and related costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

2) Functional currency

The functional currency for each of the Corporation's subsidiaries is the currency of the primary economic environment in which the entity operates. The Corporation has determined that the functional currency of each entity is the US dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

1) Impairment of building and equipment and exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Corporation's building and equipment and exploration and evaluation assets are impaired. External sources of information management considers include changes in the market, economic and legal environment in which the Corporation operates that are not within its control and affect the recoverable amount of its building and equipment and exploration and evaluation assets. Internal sources of information management consider include the manner in which mining properties and building and equipment are being used or are expected to be used and indications of economic performance of the assets.

2) Depreciation and amortization rate for building and equipment

Depreciation and amortization expenses are allocated based on assumed asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statements of income.

3) Mineral resource estimates

The figures for mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Corporation's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Corporation's financial position and results of operation.

4) Valuation of share based compensation

The Corporation uses the Black-Scholes Option Pricing Model for valuation of share based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's earnings and equity reserves.

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 IFRS Interpretations Committee that are mandatory for accounting periods after December 31, 2011 or later periods. The Corporation does not expect the standards below to have a material impact on the financial statements, although additional disclosures may be required.

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.

1) <u>Consolidated Financial Statements</u>
   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.

2) <u>Joint Arrangements</u>
   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.

3) <u>Disclosure of Interests in Other Entities</u>
   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.

4) <u>Separate Financial Statements</u>
   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.

5) <u>Investments in Associates and Joint Ventures</u>
   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.

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 Corporation on January 1, 2015. Early adoption is permitted and the standard is required to be applied retrospectively.

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 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The Corporation financial instruments at December 31, 2011 are:

		Carrying and Fair Value
Financial Assets		
Held to maturity:		
Cash	$	36,954,210
Reclamation bond		18,000
	$	36,972,210
Financial Liabilities		
Other Financial Liabilities:		
Accounts payable	$	3,460,697
Current portion of notes payable		180,712
Accrued interest on notes payable		12,918
Non-current portion of notes payable		562,708
	$	4,217,035

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:

Credit Risk

Credit risk primarily arises from the Corporation's cash and receivables. 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 trade and other 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.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Corporation will realize a loss is limited because at present the Corporation holds all of its surplus cash in an interest bearing account and investment-grade short-term deposit certificates issued by its banking institutions. The Corporation monitors its investments it makes and satisfied with the credit worthiness of its banks. The Corporation's other financial liabilities include the notes payable, which bear interest at a fixed rate of 3% until June 2, 2015.

Foreign Currency Risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. The Corporation is exposed to the risk of changes in US dollar relative to the Canadian Dollar. 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.

With the approval of the initial 2012 Budget in early January, a significant portion of Canadian dollars was exchanged for US dollars. Subsequent to the Corporation's C$40.4 million share offering in February 2012, a significant portion of those funds were exchanged into US dollars as well.

A portion of the Corporation's financial assets and liabilities are denominated in Canadian dollars. The Corporation monitors this exposure, but has no hedge positions.

		December 31, 2011		**December 31, 2010**
Cash and cash equivalents	$	30,313,427	$	-
Trade and other receivables		276,599		
Trade and other payables		(541,902)		-
	$	30,048,124	$	-

A five percent change in the US dollar exchange rate to the Canadian dollar would impact the Corporations earnings by $1,502,406.

OUTSTANDING SHARE DATA

	March 13, 2012	December 31, 2011
Common shares issued and outstanding	105,281,936	105,281,936
Options outstanding	9,345,000	8,895,000
Warrants outstanding	1,333,334	1,333,334
Special warrants outstanding (1)	9,085,000	-
Total	125,045,270	115,510,270

(1) *Each special warrant will be exercisable into one common share of the Corporation for no additional consideration on March 14, 2012. On March 9, 2012, the Corporation received the receipt from the relevant securities commission for a final prospectus qualifying the common shares to be issued upon the exercise of the special warrants. Accordingly, a total of 9,085,000 common shares are issuable on March 14, 2012 upon the deemed exercise of the total of 9,085,000 special warrants.*

A summary of share purchase option activity within the Corporation's share based compensation plan for the year ended December 31, 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, 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	(290,000)	0.53
Options granted after Transaction	8,585,000	2.81
Balance, December 31, 2011	8,895,000	$ 2.70

A summary of warrant activity for the year ended December 31, 2011:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009 and 2010	-	$ -
Warrants converted from options in Transaction	7,450,000	0.30
Warrants exercised	(6,116,666)	0.25
Warrants forfeited	-	-
Balance, December 31, 2011	1,333,334	$ 0.50

DISCLOSURE CONTROL AND PROCEDURES AND INTERNAL CONTROL OF FINANCIAL REPORTING

As of December 31, 2011, management has evaluated the design and the operating effectiveness of disclosure controls and procedures and internal control over financial reporting as defined by National Instrument 52-109. This evaluation was performed under the supervision of and with the participation of the CEO, CFO and independent internal control advisors. Based on this evaluation, management, the CEO and the CFO concluded that the design and operation of the disclosure controls and procedures and internal control over financial reporting were effective as of December 31, 2011.

The Corporation uses the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") internal control framework to design and assess ICFR. Midas Gold's management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls. Due to its inherent limitations, ICFR may not prevent or detect misstatements on a timely basis as such systems can only be designed to provide reasonable as opposed to absolute assurance. Also projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 also requires Canadian public companies to disclose in their MD&A any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. There were no such changes in ICFR during the quarter ended December 31, 2011.

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 and March 8, 2012 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.

Below is a brief summary of some of Midas Gold's risks and uncertainties.

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.

Mineral exploration in the Western United States is subject to numerous regulatory requirements on land use.
The exploration for and development of mineral resources in the western United States is subject to Federal, State and local regulatory processes and evolving application of environmental and other regulations can and has affected the ability to advance mineral projects as effectively as in prior years. A number of mineral projects in the western United States have been subjected to regulatory delays or actions that have impeded the progress of these projects towards production.

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.

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 or other metals 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, define 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 Corporation nor is any of its subsidiaries.