



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Midas Gold Corp. ("Midas Gold" or the "Corporation") for the three and nine months ended September 30, 2016. This MD&A should be read in conjunction with Midas Gold's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 prepared in accordance with IAS 34. Effective January 1, 2016, the Corporation changed its accounting policy for Exploration & Evaluation Expenditures; additional details on the changes are available in the unaudited condensed consolidated interim financial statements mentioned above. The comparative information in this MD&A has presented this change in accounting policy on a retrospective basis. Additional corporate information, including Midas Gold's most recent Annual Information Form ("AIF") and other continuous disclosure documents can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Corporation's website at www.midasgoldcorp.com.

To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Information contained on the Corporation's website that is not incorporated by reference does not form part of this MD&A. This MD&A contains forward-looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Forward-Looking Statements" and "Risks and Uncertainties" sections in this MD&A for further information. All "\$" dollars in this MD&A are United States Dollars, unless specifically stated as "C\$" which are Canadian Dollars.

The information in this MD&A is provided as at November 10, 2016.

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 Corporation's principal asset is the Stibnite Gold Project ("Stibnite Gold Project" or the "Project") and its common shares trade on the Toronto Stock Exchange ("TSX") and the OTCQX. The corporate office of Midas Gold is located at #890-999 West Hastings St, Vancouver, BC, V6C 2W2, Canada.

HIGHLIGHTS

A principal highlight of the quarter, on September 21, 2016, was the filing of a Plan of Restoration and Operations (the "PRO") with the U.S. Forest Service and Idaho Department of Lands in order to initiate the environmental assessment and permitting process for the Project. Midas Gold anticipates that the U.S. Forest Service and Idaho Department of Lands will conduct internal reviews to determine the PRO's adequacy and completeness and will then commence the public review process in accordance with the U.S. National Environmental Policy Act and other requirements. The PRO was filed by Midas Gold Idaho, Inc., ("Midas Gold Idaho"), a wholly-owned subsidiary of Midas Gold Corp. and the operating company for the Stibnite Gold Project.

In July, the Corporation also announced that it has commenced feasibility level metallurgical testing, which is being conducted as a critical path item in advance of preparing a feasibility study (the "FS") on its Stibnite Gold Project. This work is expected to continue through the second quarter of 2017 and is intended to provide sufficient supporting process information to advance the Project through completion of a feasibility study. The test program will also include the collection of

approximately a 14-ton bulk sample from existing core material in preparation for metallurgical pilot plant testing.

In August, the Corporation further announced that would initiate a drill program for its Stibnite Gold Project. The objective for the drill program is to improve, expand and de-risk the mineral resources defined in the December 2014 preliminary feasibility study (the "PFS") before commencing a feasibility study. Positive results could enhance the Project economics in the planned FS. The drill program commenced in September and is scheduled to continue into late 2016.

In conjunction with the filing of the PRO, also in September, the Corporation appointed of Laurel Sayer as President and Chief Executive Officer of Midas Gold Idaho, Midas Gold's operating subsidiary in Idaho that operates the Project. In addition, Midas Gold announced the appointment of Michael Bogert to the board of directors of Midas Gold Corp., replacing Ms. Sayer as she steps down to take on her new role. These appointments reflect Midas Gold's objective of increasing local accountability and local representation in all its activities.

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 information").

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "determine" or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "whether to", "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 information involves 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 such forward-looking information.

Forward-looking information includes, but is not limited to, statements regarding:

- analyses and other information based on expectations of future performance and planned work programs;
- possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action;
- timing, costs and potential success of future activities on the Corporation's properties, including but not limited to development and operating costs in the event that a production decision is made;
- potential success of exploration, development and environmental protection and remediation activities;
- future outlook and goals;
- permitting time lines and requirements, requirements for additional capital, requirements for additional water rights and the potential effect of proposed notices of environmental conditions relating to mineral claims;
- planned exploration and development of properties and the results thereof;
- planned expenditures and budgets and the execution thereof;
- evaluation of the potential impact of future accounting changes; and
- estimates concerning recovery of accounts receivable, share-based compensation and carrying value of properties.

Information concerning mineral resource and mineral reserve estimates may also be deemed to constitute forward-looking information to the extent that such information involve estimates of the mineralization that may be encountered if a property is developed. Any forward-looking information contained herein is stated as of the date of this document and Midas Gold does not intend, and does not assume any obligation, to update such forward-looking information to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by law or regulation.

With respect to forward-looking information contained herein, the Corporation has applied several material factors or assumptions including, but not limited to, certain assumptions as to production rates, operating cost, recovery and metal costs; that any additional financing needed will be available on reasonable terms; the exchange rates for the U.S. and Canadian currencies will be consistent with the Corporation's expectations; that the current exploration, development, social, environmental, or other objectives concerning the Project can be achieved and that the Corporation's other corporate

activities will proceed as expected; that the current price and demand for gold and other metals will be sustained or will improve; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned activities on the Project will be obtained in a timely manner and on acceptable terms; and the continuity of economic and political conditions and operations of the Corporation.

The forward-looking information contained herein is 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 such forward-looking information. In addition to those discussed in the Corporation's public disclosure record, such risks and other factors include, among others, those related to:

- the industry-wide risks and project-specific risks identified in the PFS and summarized in the Corporation's news release dated December 15, 2014;
- fluctuations in capital markets and share prices;
- the Corporation's ability to obtain financing to advance its mineral properties and the expected use of proceeds;
- the Corporation's dependence on one mineral project;
- the Corporation's dependence on key personnel;
- the Corporation's operations and contractual obligations;
- changes in exploration programs based upon results of exploration;
- changes in estimated mineral reserves or mineral resources;
- future prices of metals;
- availability of third party contractors or equipment;
- failure of equipment to operate as anticipated;
- accidents, effects of weather and other natural phenomena and other risks associated with the mining industry;
- the Corporation's principal property being located in the U.S., including political, economic and regulatory uncertainty;
- environmental risks, including environmental matters under US. federal and Idaho rules and regulations;
- changes in environmental laws and regulations and changes in the application of standards pursuant to existing laws and regulations which may increase costs of doing business and restrict the Corporation's activities and operations;
- impact of environmental remediation requirements and the terms of existing and potential consent decrees on the Corporation's planned exploration and development activities on the Project;
- the Corporation's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- community relations;
- delays in obtaining governmental approvals or financing;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Corporation's lack of operating revenues;
- governmental regulations and the ability to obtain necessary licenses and permits;
- currency fluctuations (particularly the Canadian dollar and United States dollar)
- estimates used in the Corporation's consolidated financial statements proving to be incorrect; and
- a cyber security incident that could adversely affect Midas Gold's ability to operate its business.

This is not an exhaustive list of the factors that may affect the Corporation's forward-looking information. Although the Corporation has attempted to identify important factors that could affect the Corporation and may cause actual actions, events or results to differ materially from those described in the forward-looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on such forward-looking information.

2016 OUTLOOK AND GOALS

During early 2016, Midas Gold's objective has been to further its engagement with regulators, communities, tribes and other stakeholders in respect of the concepts for the restoration and operation of the Project that are set out in the PFS in order to

ensure that any plans for the redevelopment of the Project addresses concerns and issues to the extent environmentally, technically and commercially feasible. Following these discussions, the Corporation filed a Plan of Restoration and Operations (“PRO”) for the restoration of legacy impacts and for the redevelopment of a mining and processing operation. In parallel with these activities, Midas Gold is undertaking technical work (including geological, metallurgical and environmental) required for completion of a feasibility study for the Project. Obtaining sufficient funding to sustain the Corporation through completion of permitting and a feasibility study was required prior to embarking on these activities, and this need was resolved with the completion of the strategic investment by Paulson & Co. and certain pre-existing shareholders in March 2016.

The Corporation continues to balance the timing and prioritization of expenditures, looking to restrain expenditures while still delivering the Corporation’s major objectives in a timely and cost effective manner. In this respect, during the year-to-date, the Corporation reduced its staffing, reduced compensation paid to directors of the Corporation and to the independent directors of its wholly owned subsidiary, Midas Gold Idaho, relocated its corporate office to reduce costs, as well as undertaking a number of other initiatives to focus expenditures on value adds to the Project and its stakeholders.

RESULTS OF OPERATIONS

Net Loss and Comprehensive Loss

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
EXPENSES				
Consulting	\$ 4,909	\$ 1,141	\$ 8,280	\$ 1,141
Depreciation	230,687	281,539	796,660	908,050
Directors’ fees	24,486	37,643	81,036	153,247
Exploration and evaluation	2,342,938	2,347,091	5,468,026	6,416,780
Office and administrative	46,475	40,081	198,874	193,253
Professional fees	11,779	(2,791)	71,140	58,553
Salaries and benefits	150,556	126,408	554,071	537,697
Share based compensation	205,041	65,281	584,974	506,750
Shareholder and regulatory	74,711	55,678	222,924	261,427
Travel and related costs	25,437	23,076	85,826	110,891
OPERATING LOSS	<u>\$ 3,117,019</u>	<u>\$ 2,975,147</u>	<u>\$ 8,071,811</u>	<u>\$ 9,147,789</u>
OTHER (INCOME) EXPENSES				
Change in fair value of warrant derivative	\$ (62,055)	\$ (458,001)	\$ 3,227,891	\$ (900,111)
Change in fair value of convertible note derivative	(1,439,431)	-	33,128,624	-
Finance Costs	506,591	-	1,620,214	-
Foreign exchange loss (gain)	(1,045,629)	201,462	(1,102,816)	235,119
Interest (income) expense	(20,069)	156	(49,493)	(16,899)
Total other expenses	<u>\$ (2,060,593)</u>	<u>\$ (256,383)</u>	<u>\$ 36,824,420</u>	<u>\$ (681,891)</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>\$ 1,056,426</u>	<u>\$ 2,718,764</u>	<u>\$ 44,896,231</u>	<u>\$ 8,465,898</u>

Net loss and comprehensive loss for Midas Gold for the three and nine-month period ending September 30, 2016 was \$1.1 million and \$44.9 million respectively compared with a loss of \$2.7 million and \$8.5 million for the corresponding period of 2015. This \$36.4 million change for the nine-month period were primarily attributable to Finance costs and the change in the fair value of the Note derivative, both related to the financing completed in March 2016. It should be noted that the convertible note derivative is valued at fair value in accordance with IFRS and there are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements). The increased expenses related to the financing were offset by reduced exploration and evaluation expenditures. As noted above, for the nine months ended September 30, 2016, the Corporation's main focus was obtaining finance, the continued technical advancement of the Project and the preparation and filing of the Plan of Restoration and Operations.

An analysis of each line item follows.

Consulting

This expense relates to consulting services provided to the Corporation that do not relate to the exploration and evaluation of the Stibnite Gold Project. The expense for the current quarter is comparable to the prior period.

Depreciation

This expense relates to the depreciation of the Corporation's building and equipment. The expense for the current quarter is consistent with the quarter in the previous year.

Directors' Fees

Each of the Corporation's non-executive directors is entitled to annual base fee of C\$19,200 (2015 – C\$24,000) following a reduction in fees approved by the Board effective January 1, 2016, paid in quarterly installments, with the Chair of the Board, Chairs of Board Committees and Members of board committees receiving additional fees commensurate with each role. On March 17, 2016, two independent directors were replaced by directors nominated by Paulson & Co. who have elected not to receive a fee. In addition, the independent directors of Midas Gold Idaho also reduced their overall compensation by approximately 25%, thereby reducing the overall director compensation going forward. Finally, the number of non-executive directors was reduced from eight to six at the Corporation's AGM in May 2015. As a result of these actions, this expense has decreased for the quarter as compared to prior periods.

Exploration and Evaluation

This expense relates to all exploration and evaluation expenditures related to the Stibnite Gold Project, including labour, field office costs and environmental and sustainability costs. This expense for the current quarter is comparable to the corresponding period in the prior year with increases in drilling and support costs offset by decreases in environmental and sustainability costs. This expense for the year to date is lower than the prior period because of the reduced environmental and permitting costs. The environments and permitting costs in the prior year included significant environmental baseline studies. Additional details of expenditures incurred are as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Exploration and Evaluation Expenditures				
Consulting and labor cost	763,378	810,043	2,378,65	2,526,407
Drilling	202,280	27,928	202,280	27,928
Field office and drilling support	424,504	284,567	868,458	893,310
Engineering	142,830	113,388	255,322	328,718
Environmental and sustainability	809,945	1,101,719	1,763,077	2,629,184
Geochemistry and geophysics	-	9,446	222	11,233
EXPLORATION AND EVALUATION EXPENSE	\$ 2,342,938	\$ 2,347,091	\$ 5,468,026	\$ 6,416,780

Office and Administrative

This expense for the current quarter is predominantly the maintenance of an office in Vancouver, BC. Office maintenance costs for the period are comparable to the prior period. Cost savings related to the new head office lease will not be realized until subsequent quarters.

Professional Fees

This expense relates to the legal and accounting costs of the Corporation. The costs for the period are comparable to the prior year.

Salaries and Benefits

This expense results from salaries and benefits of the employees that are not directly related to the exploration and evaluation of the Stibnite Gold Project, primarily Canadian corporate employees. Salaries and benefits for the year to date and quarter ended September 30, 2016 are comparable to the prior year.

Share Based Compensation

This expense is due to the compensation of directors, officers, employees and consultants that are share based. Share based compensation for the quarter and year to date ended September 30, 2016 is higher than the comparable period in 2015 due to more options granted in the 2016 periods. 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 condensed consolidated interim financial statements for the period ended September 30, 2016.

Shareholder and Regulatory

This expense is associated with marketing, licenses and fees, and shareholder communications. The expense for the current quarter is consistent with the prior year. The expense for the current year to date is below the comparative period as a result of a reduced investor relations program as part of the cash conservation efforts.

Travel and Related Costs

This expense is a result of travel and meal costs of the Corporation's directors, officers, employees and consultants whilst undertaking business on behalf of the Corporation. The expense for the current year to date is below the comparative period from the prior year as a result of a reduced travel as part of the cash conservation efforts. The expense for the current quarter is consistent with the prior year.

Change in Fair Value of Warrant Derivative

The Corporation issued warrants and finder's options in various financing transaction since 2013, all with an exercise price denominated in Canadian dollars. The Corporation determined that warrants and finder's options with an exercise price denominated in a currency that is different from the entity's functional currency should be classified as a derivative and carried at their fair value. Any changes in their fair value from period to period have been recorded as a gain or loss in the consolidated statement of net loss and comprehensive loss. There are no circumstances under which Midas Gold will be required to pay cash upon exercise or expiry of the warrants or finder's options (see Note 6 in the Financial Statements).

Change in Fair Value of Convertible Note Derivative Liability

The Corporation issued Convertible Notes in March 2016 with an exercise price denominated in Canadian dollars. The Corporation determined that the Convertible Notes with an exercise price denominated in a currency that is different from the entity's functional currency should be classified as a derivative and carried at their fair value. Any changes in their fair value from inception to balance date have been recorded as a gain or loss in the consolidated statement of net loss and comprehensive loss. The convertible note derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements).

Finance Costs

As a result of the issuance of the Convertible Notes described above the Corporation incurred costs associated with financing.

Foreign Exchange

This gain is a result of the translation of the Corporation's Canadian dollar denominated balances as at September 30, 2016. Foreign exchange expense has increased from the comparative quarter due to the change in the value of the Canadian dollar compared to the U.S. dollar.

Interest Income

This income results from interest received on the Corporation's cash balances. Interest income increased in the current quarter compared to the comparative quarter as a result of higher average cash balances.

An analysis of the September 30, 2016 and December 31, 2015 balance sheets of the Corporation follows.

Total Assets

Total assets increased during the nine months ended September 30, 2016 from \$76.6 million to \$111.9 million primarily as a result of cash raised from the March 2016 Financing.

Equity

Equity decreased during the nine months ended September 30, 2016 from \$75.7 million to \$37.2 million primarily as a result of the expense from the change in fair value of the Convertible Note derivative. The Convertible Note derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements).

Total Liabilities

Total liabilities increased during the nine months ended September 30, 2016 from \$0.8 million to \$74.5 million, primarily as a result of the issuance of the Convertible Note in March 2016. Of this amount, \$52.1 million is related to the Convertible Note derivative at September 30, 2016, which is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements).

Cash Flows

Midas Gold's net change in cash and cash equivalents for the three months ended September 30, 2016 was an outflow of \$2.1 million (2015 – \$3.0 million). The net change in cash and cash equivalents for the nine months ended September 30, 2016 was an inflow of \$35.5 million (2015 – \$2.7 million outflow). The inflows from financing activities in the first three quarters of 2016 were partially reduced by outflows from operating and investing activities.

Operating cash outflows for the three and nine months ended September 30, 2016 were \$2.5 million and \$6.7 million respectively (2015 - \$2.9 million and \$8.2 million respectively) and Financing cash flows for the three and nine months ended September 30, 2016 were \$0.8 million and \$42.6 million inflow (2015 – \$nil and \$5.8 million, respectively).

Long term liabilities above include a convertible note and convertible note derivative balance of \$19.3 million and \$52.7 million September 30, 2016 respectively (2015 - \$nil). The convertible note derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements).

QUARTERLY RESULTS

The net loss and comprehensive loss of Midas Gold for the previous eight calendar quarterly periods is tabulated below. The results for the previous eight quarters reflect the change in accounting policy during the year (Refer Introduction above).

Quarter Ended	Revenue	Net Income (Loss) & Comprehensive Income (Loss)	Basic & Diluted Income (Loss) per Share	Total Assets	Long Term Liabilities	Cash Dividend
	\$	\$	\$	\$	\$	\$
September 30, 2016	-	(1,056,426)	(0.01)	111,927,929	71,386,111	-
June 30, 2016	-	(40,358,417)	(0.23)	113,855,019	73,438,810	-
March 31, 2016	-	(3,481,387)	(0.02)	116,391,793	38,475,260	-
December 31, 2015	-	(2,450,829)	(0.02)	76,587,908	-	-
September 30, 2015	-	(2,718,764)	(0.02)	78,987,078	-	-
June 30, 2015	-	(2,816,115)	(0.02)	82,296,592	-	-
March 31, 2015	-	(2,931,019)	(0.02)	79,470,251	-	-
December 31, 2014	-	(3,360,129)	(0.02)	82,439,386	-	-

The Corporation has had relatively consistent operating losses over the past two years, the most significant variances to the net and comprehensive loss is the change in the fair value of the warrant derivative and foreign exchange. Exploration and evaluation expenditures create variances dependent on the nature of the work that is being completed in each quarter. The higher number in the most recent quarters relates to various aspects of the financing that was closed in the quarter ended March 31, 2016. The long term liability includes the convertible note derivative, which is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements).

CAPITAL RESOURCES AND LIQUIDITY

Capital resources of Midas Gold consist primarily of cash and liquid short-term investments. As at September 30, 2016, Midas Gold had cash totaling approximately \$40.0 million, approximately \$0.5 million in other current assets and \$0.7 million in trade and other payables.

With the financing completed in March 2016, Midas Gold has sufficient funds to further advance the Stibnite Gold Project and plans to do so by:

- Engaging with Project stakeholders to provide those stakeholders with the opportunity for better understanding of the Project concepts and to provide a forum for such stakeholders to provide further input into, the Project, possible options and alternatives;
- Continuing to collect environmental baseline data in support of future regulatory processes;
- Continuing to undertake further technical optimisations, including those outlined in the recommendations section of the PFS;
- Growing the mineral resource base through exploration and evaluation of mineral potential in and around the existing mineral resources and in the exploration prospects identified in the PFS, provided sufficient funds are available; and
- Proceeding with the regulatory process for the restoration and redevelopment of the Project, including the repair of legacy impacts and operation of a modern mining and processing facility that will provide a social and economic benefit to the local community.

Midas Gold has a current liability of \$2.6 million related to the warrant derivative. There are no circumstances under which Midas Gold will be required to pay any cash upon exercise or expiry of the warrants (see Note 6 in the Financial Statements).

Midas Gold has long term liabilities of \$71.4 million related to the Convertible Notes and the related embedded derivative. The convertible note derivative is valued at fair value in accordance with IFRS. There are no circumstances in which the Corporation would be required to pay cash upon conversion of the Convertible Notes (see Note 8 in the Financial Statements).

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 advance the Stibnite Gold Project in 2016 and to meet its administrative and overhead requirements for more than a year.

Contractual Obligations

Office Rent

The Corporation entered into a various lease agreements for office and storage space. As at September 30, 2016, the total rent obligation over the next five years is \$327,000 with \$132,000 due within one year and \$195,000 due after one year but not more than five years.

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, there is an annual fee of approximately \$235,000. The Corporation is committed to this annual obligation for the indefinite future in order to maintain its title to these claims. Related to the Mining Claim Assessment is a \$168,000 bond related to the Corporation's exploration activities on the Project.

Option Payments on Mining Claims

The Corporation is obligated to make option payments on mineral claims comprising the Cinnabar prospect, which is part of the Project, in order to maintain title to these claims. As at September 30, 2016 the remaining option payments due on the Cinnabar prospect are \$100,000, which is to be paid in 2017.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements as of September 30, 2016 and the date of this MD&A.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the three and nine months ended September 30, 2016, 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:

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Salaries and benefits	175,884	171,408	584,772	603,237
Share based compensation	66,571	(13,482)	282,300	31,933
	\$ 242,455	\$ 157,926	\$ 867,071	\$ 635,170

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the nine month periods ended September 30, 2016 and 2015.

There were no balances outstanding with related parties at September 30, 2016.

MINERAL PROPERTIES

Stibnite Gold Project

The Corporation's property holdings at the Stibnite Gold Project are comprised of a contiguous package of unpatented federal lode claims, unpatented federal mill site claims, patented federal lode claims and patented mill site claims. At September 30, 2016, this land position encompassed approximately 11,548 hectares held in 1,518 unpatented lode and mill site claims and patented land holdings. The Corporation acquired these rights through a combination of transactions and staking, and holds a portion under an option agreement. Bureau of Land Management payment in lieu of assessment claim rental fees were

paid during the quarter and the claims are all in good standing.

The Stibnite Gold Project includes four known mineral deposits with identified mineral resources, as announced on September 10, 2014. Following completion of the PFS, the results of which were announced on December 15, 2014, Midas Gold also declared a mineral reserve for each of the four deposits, one of which is comprised of legacy tailings. The PFS defined an economically feasible, technically and environmentally sound Project that minimizes impacts and maximizes benefits and provides a comprehensive overview of the Project, including recommendations for future work programs required to advance the Project to a decision point.

The Project design concepts, as set out in the PFS, reflect the extensively disturbed nature of the current site, which has been explored and mined for the past century. Clean-up of legacy environmental impacts, improvement of water quality, minimizing incremental mining-related disturbance, and protection and re-establishment and enhancement of the upstream fishery (both during operations and following mine closure) were incorporated into the PFS, which represents a comprehensive plan for site restoration and operation of the Project.

The Project (as detailed in the PFS) consists of the Yellow Pine, Hangar Flats and West End in situ gold deposits and onsite historic tailings that contain elevated gold, antimony and silver values, and all deposits are located in areas of significant historic mining activity or disturbance. The deposits are amenable to open pit mining and lie within three kilometers of each other, allowing processing at a centralized plant; much of the Project's infrastructure and facilities would be located within areas of historical disturbance, reducing the incremental footprint of the Project. Integral to the design of the Project is the remediation and reclamation of numerous areas of historical disturbance, and restoration of the site. Many of these restoration activities would be conducted during the construction period for the Project or during the first few years of operation, including the restoration of fish passage into the upper watershed for the first time since the 1930s.

The PFS supersedes and replaces the technical report entitled "Preliminary Economic Assessment Technical Report for the Golden Meadows Project, Idaho" dated September 21, 2012 and that report should no longer be relied upon. The Golden Meadows Project is now known as the Stibnite Gold Project.

District Exploration

During third quarter of 2016, the Corporation initiated a drill program that was in progress at the end of the quarter. As noted above, the objective of the drill program is to enhance and de-risk the mineral resource associated with the Project. Normal maintenance and upkeep of the Project infrastructure continued during the quarter. Office activities continued with efforts directed at updating geological, alteration and structural modelling of the mineral resources. During this period, members of the U.S. Geological Survey and the Idaho Geological Survey continued field and laboratory research studies as part of ongoing cooperative programs to investigate the origin and nature of the mineral deposits and prospects in the Project area. In addition, Idaho Geological Survey staff conducted office and field geotechnical and slope stability investigations pertaining to possible access roads to the site.

As previously reported, during the first quarter of 2016, Midas Gold's exploration plan was approved by the US Forest Service and Midas Gold is free to carry out exploration in accordance with the approved plan. The US Forest Service Decision Notice included recommendations for additional mitigations and monitoring; the mitigation activities were initiated during the first quarter and continued into the third quarter and include numerous actions related to installation of new erosion control features and road improvements in and around the Project area and other environmental activities.

Environmental and Other Matters Pertaining to Stibnite Gold

The Project is located in a historic mining district with extensive and widespread exploration and mining activity, and related environmental effects, spanning nearly 100 years from the early 1900s until today. Actions by prior operators and government agencies have addressed some of the historic environmental issues, but extensive disturbance and effects remain.

For additional disclosure on Environmental and Other Matters refer to the Corporation's Annual Information Form for the years ended December 31, 2014 and December 31, 2015, the prospectus dated June 30, 2011 and the short form prospectus dated March 8, 2012.

The Corporation is, and in future will continue to be, subject to federal, state and local statutes, rules and regulations related

to, among other things, environmental protection, site access and construction activities. The environmental effects, if any, of current and future activities will be monitored and, where appropriate, mitigated and reclaimed by the Corporation.

A number of environmental studies and regulatory investigations in the District identified numerous areas of potential environmental degradation related to past 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 U.S. 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 activity by the Corporation. Prior to its acquisitions in the District, the Corporation conducted appropriate due diligence, comprising formal assessments of the properties comprising the Project, in order to mitigate potential liabilities related to past disturbance.

Consent Decrees under CERCLA

Several of the patented lode and mill site claims acquired by subsidiaries of Midas Gold in the areas of the West End mill site claims previously used for processing operations are subject to a consent decree, which covers certain environmental liability and remediation responsibilities with respect to such claims. The 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 to prevent the release or potential release of hazardous substances. The consent decree also 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. Several of the patented claims in the Hangar Flats and Yellow Pine properties acquired by subsidiaries of Midas Gold are also subject to a consent decree between the previous owner of those claims and the United States, which imposes certain obligations on that previous owner, including that the previous owner will cooperate with the U.S. Environmental Protection Agency and U.S. Forest Service in those agencies’ efforts to secure any government controls necessary to implement response activities.

Plans for the Environmental Issues

The Corporation expects to address areas of existing environmental concern as part of the permitting process for any future mining operations. The Corporation recognizes the need to maintain the current designated uses, to improve water quality, wildlife and aquatic habitat where practicable and to reduce sediment loads in the Project area wherever feasible as a component of its ongoing activities, as well as to provide for future mining activities, should they occur.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Critical Accounting Estimates and Judgments

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

Accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these consolidated financial statements include, among others, the useful lives of buildings and equipment, valuation of assets, valuation of share based compensation, warrant and convertible note derivatives, mineral resource estimates and the recoverable amount of exploration and evaluation expenditures.

Accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the accounting for its exploration and evaluation assets, recognition of deferred tax assets or liabilities, functional currency, fair value of the convertible note derivative, expected economic lives of and the estimated future operating results and net cash flows from buildings and equipment and exploration and evaluation assets.

FINANCIAL INSTRUMENTS

The Corporation's cash balance increased from \$4.5 million at December 31, 2015 to \$40.0 million at September 30, 2016. On March 17, 2016, the Corporation issued a Convertible Note for \$38.5 million (C\$50.0 million) and common shares for \$4.0 million (C\$5.2 million). There has been no other significant change in the Corporation's financial instruments since December 31, 2015, with the exception of the warrant derivative and the change in fair value of the convertible note derivative which are discussed in Results of Operations.

OUTSTANDING SHARE DATA

	September 30, 2016	November 10, 2016
Common shares issued and outstanding	178,102,667	180,002,017
Options outstanding	11,839,500	11,609,000
Warrants outstanding	9,385,595	7,645,115
Shares issuable on conversion of Convertible	141,255,581	141,255,581
Total	340,583,343	340,511,713

DISCLOSURE CONTROL AND PROCEDURES AND INTERNAL CONTROL OF FINANCIAL REPORTING

The Corporation's management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, based on the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

DC&P are designed to provide reasonable assurance that material information relating to the Corporation is made known to the CEO and CFO during the reporting period and the information required to be disclosed by the Corporation is recorded, processed, summarized and reported in a timely and appropriate manner. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with international financial reporting standards. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and operated, they may not prevent or detect misstatements on a timely basis.

The Corporation's management, under the supervision of the CEO and CFO, has evaluated the design effectiveness of its DC&P and ICFR and concluded that, as of September 30, 2016, they are effective in providing reasonable assurance regarding required disclosures and the reliability of external financial reporting.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No changes were made to the Corporation's ICFR in the three months ended September 30, 2016 which have materially affected, or are reasonably likely to materially affect, ICFR.

National Instrument 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No changes were made to the Company's ICFR in the three months ended September 30, 2016 which have materially affected, or are reasonably likely to materially affect, ICFR.

EXTRACTIVE SECTOR TRANSPARENCY MEASURE ACT – REPORTING REQUIREMENTS

In accordance with Canada’s Extractive Sector Transparency Measures Act (the “Act”) that was enacted on December 16, 2014 and brought into force on June 1, 2015, that is intended to contribute to global efforts to increase transparency and deter corruption in the extractive sector. Midas Gold reports that for the three and nine months to September 30, 2016, it has made payments of fees of \$385,290 and \$512,830 respectively, represented by the below:

Quarter	Payee	Details	Amount
2016 Q1	Idaho Department of Lands	Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project.	\$43,679
	Bureau of Land Management	Fees associated with an administrative name change in 1,518 land claims.	\$15,180
2016 Q2	Idaho Department of Lands	Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project.	\$43,679
	City of Cascade	Donation to city for infrastructure improvements.	\$25,000
2016 Q3	Idaho Department of Lands	Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project.	\$43,679
	Bureau of Land Management	Fees associated with the renewal of 1,518 land claims.	\$235,290
	Idaho Department of Water Resources	Reimbursement of expenditures related to stream gaging at the Stibnite Gold Project.	\$13,519
	Valley County Road Department	Reimbursement of expenditures related to maintenance and improvements of access road to the Stibnite Gold Project	\$92,802
Total			\$512,830

USE OF PROCEEDS

The Corporation received net proceeds of US\$41.5 million in March 2016 related to the issuance of Convertible Notes and Common Shares through a private placement. At the time, the Corporation had approximately US\$3.0 million in cash on hand. For the purposes of this use of proceeds statement it is assumed that funds on hand were utilised by June 30, 2016 and that the proposed use of proceeds will be compared to expenditures from July 1, 2016 onwards:

Expense Category (in millions)	Proposed Use of Proceeds	Actual Use of Proceeds	Remaining to be Spent / Difference
Baseline Data Collection & Land Title	\$ 8.3	\$ 0.9	\$ 7.4
Permitting and Regulatory	8.3	0.1	8.2
Technical Studies, FS & Exploration	12.4	1.3	11.1
Legal & Sustainability	4.1	0.3	3.8
Corporate Costs and Working Capital	8.3	0.5	7.8
	\$ 41.4	\$ 3.1	\$ 38.3

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. Only those persons who can bear risk of the entire loss of their investment should invest in the Corporation's 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 and mineral reserves are inherently forward-looking statements subject to error. Although mineral resource and mineral reserve 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. These risk factors are not a definitive list of all risk factors associated with an investment in the common shares of Midas Gold or in connection with the Corporation's operations. The following summary should be read in conjunction with the Corporation's Annual Information Form for the year ended December 31, 2015 available under the Corporation's profile on SEDAR at www.sedar.com.

Industry Risks

- 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.
- Global financial markets can have a profound impact on the global economy, in general and on the mining industry.
- Mineral exploration and development in the Western United States is subject to numerous regulatory requirements on land use.
- Resource exploration and development is a high risk, speculative business.
- Mineral exploration and development 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.
- Mineral exploration and development activities are subject to geologic uncertainty and inherent variability.
- The quantification of mineral resources and mineral reserves is based on estimates and is subject to great uncertainty.
- Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.

The Corporation's Risks

- Midas Gold will need to raise additional capital through the sale of its securities or other interests, resulting in dilution to the existing shareholders and, if such funding is not available, Midas Gold's operations would be adversely affected.
- Midas Gold has an obligation to repay the outstanding principal under the Convertible Notes issued in March 2016 by the seventh anniversary of their issuance; on or before that date Midas Gold either needs to have arranged sufficient funding to repay the outstanding principal or to have converted the notes into common shares in accordance with the terms of the Convertible Notes.
- 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.
- 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 current and future permits to conduct activities at the Stibnite Gold Project could be challenged during regulatory processes or in the courts by third parties and such challenges may delay or prevent the Corporation from meeting its objectives.

- Midas Gold has not completed an environmental impact statement, nor has it received the necessary permits for water or explosives to conduct mining operations.
- Midas Gold’s activities are subject to environmental liability.
- Midas Gold faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources and Midas Gold may not be able to effectively compete.
- Midas Gold’s exploration efforts may be unsuccessful.
- Midas Gold’s mineral resource and mineral reserve estimates may not be indicative of the actual gold that can be mined.
- 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 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’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 ability to explore and, if warranted, exploit its mineral claims may be impacted by litigation or consent decrees entered into or proposed to be entered into by previous owners of mineral rights that now comprise the Project, related to disturbance related to past mining and exploration activities.
- Midas Gold depends on key personnel for critical management decisions and industry contacts but does not maintain key person insurance.
- Midas Gold does not have a full staff of technical people and relies upon outside consultants to provide critical services.
- Certain Midas Gold directors also serve as officers and/or directors of other mineral resource companies, which may give rise to conflicts.
- Midas Gold has no history of paying dividends, does not expect to pay dividends in the immediate future and may never pay dividends.
- Midas Gold’s business involves risks for which Midas Gold may not be adequately insured, if it is insured at all.
- A shortage of supplies and equipment could adversely affect Midas Gold’s ability to operate its business.
- A cyber security incident could adversely affect Midas Gold’s ability to operate its business.

CAUTIONARY NOTE IN RESPECT OF MINERAL RESOURCES AND MINERAL RESERVES

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. The Stibnite Gold Project 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 and mineral reserves at the Project are contained within areas that have seen extensive disturbance resulting from prior mining activities. For Midas Gold to advance its interests at the Stibnite site, the Project will be subject to a number of Federal, State and local laws and regulations and will require permits to conduct its activities. However, Midas Gold is not aware of any environmental, permitting, legal or other reasons that would prevent it from advancing the Project.

This MD&A and the mineral resource and mineral reserve estimates referenced in this MD&A are reported in accordance with the requirements under Canadian securities laws, namely National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”), which differ from the requirements under U.S. securities laws. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements under the U.S. Securities and Exchange Commission (“SEC”) Industry Guide 7. 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 an SEC registered Corporation nor is any of its subsidiaries.