



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 year ended December 31, 2017 compared to the year ended December 31, 2016. This MD&A should be read in conjunction with Midas Gold's consolidated financial statements for the year ended December 31, 2017 prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 March 14, 2018.

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 trade on the Toronto Stock Exchange ("TSX"). The corporate office of Midas Gold is located at 890-999 West Hastings St, Vancouver, BC, V6C 2W2, Canada.

HIGHLIGHTS

In February 2017, the Corporation provided an update on the feasibility-level metallurgical testing program being carried out on the Stibnite Gold Project ("Project"), reporting on the grinding and flotation work completed to date. This work is an important foundation for the planned feasibility study ("FS") for the Project.

Also during February 2017, the Corporation reported the final results from its ongoing mineral resource optimization drill program at the Stibnite Gold Project. These results, along with additional geological, geochemical and assay information collected from prior Midas Gold drill holes and historical information, were incorporated into an updated geological model and mineral resource estimate that were reported subsequent to year-end on February 15, 2018.

On March 28, 2017, the Corporation announced that the United States Forest Service ("U.S. Forest Service") had begun its analysis, under the National Environmental Policy Act ("NEPA"), of Midas Gold Idaho, Inc.'s proposed Plan of Restoration and Operations ("PRO") for the Stibnite Gold Project. The U.S. Forest Service stated that it expected to produce a draft Record of Decision in 2018 and a final Record of Decision in the first quarter of 2019.

In early April 2017, the Corporation announced that M3 Engineering & Technology Corp. ("M3") was awarded a contract to lead the Feasibility Study ("FS"), with additional FS support to be provided by Blue Coast Metallurgy Ltd., Tierra Group

International Ltd., SRK Consulting, Kirkham Geosystems Ltd., STRATA, and others, as necessary. The target completion date for the FS was stated as Q3 2018, which parallels the advancement of the regulatory process for mine development.

Also during April 2017, the Corporation announced that the United States Forest Service (“USFS”) had selected AECOM to assist the agency in evaluating Midas Gold’s proposed Stibnite Gold Project.

In May 2017, Trade & Industry Development Magazine announced that Midas Gold Idaho received a Corporate Investment and Community Impact (“CiCi”) award in the ‘Community Impact Division’. The nomination for the CiCi award was submitted by the Idaho Department of Commerce and West Central Mountains Economic Development Council (“WCMED”) in recognition of Midas Gold Idaho’s robust community engagement programs which include over \$230,000 in corporate giving to community programs, schools and sponsorships, and over 1,800 staff volunteer hours since 2013.

On June 5, 2017, the Notice of Intent (“NOI”) to prepare an Environmental Impact Statement (“EIS”) on the proposed Stibnite Gold Project’s Plan of Restoration and Operations (“PRO”) was published in the Federal Register by the USFS. The scoping was completed as scheduled in July 2017.

On September 7, 2017, the Corporation provided additional results from its 2017 drilling program at Stibnite.

On September 18, 2017, the Corporation announced that seven federal, state and local agencies entered into an agreement outlining their commitment to work together and coordinate their efforts to permit Midas Gold Idaho’s Stibnite Gold Project (“Project”). The U.S. Forest Service (“USFS”) (which is the lead permitting agency), U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, Idaho Department of Lands, Idaho Department of Environmental Quality, the Idaho Governor’s Office of Energy and Mineral Resources and Valley County were signatories to the memorandum of understanding for the Project. At that time, the agencies announced that the proposed timing for a Record of Decision for the Project was now forecast to be completed in the third quarter of 2019.

On February 21, 2018 the Corporation reported on continuing progress in its feasibility-level metallurgical test program for the Project, which it expects to be concluded in the second quarter of 2018.

On February 22, 2018 the Corporation reported that Idaho’s House of Representatives and Senate passed a joint memorial asking the President of the United States, Idaho’s congressional delegation, the Administrator of the Environmental Protection Agency, the Secretary of the Interior and the Secretary of Agriculture to take the steps necessary to approve the Project in a timely and cost-effective manner.

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.

Statements concerning mineral resource and mineral reserve estimates may also be deemed to constitute forward-looking information to the extent that such statements 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, environmental 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 exploration, development and environmental protection 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;
- changes in timelines for regulatory approvals and permits for mine development, including the timing for a Record of Decision from the USFS, 402 and 404 permits from the US Environmental Protection Agency and US Army Corps of Engineers, respectively, and numerous other permits and licenses from multiple agencies;
- the impact of the timing of granting of permits and approvals for the Project on the financial needs of the Corporation;
- 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 U.S. 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.

2018 OUTLOOK AND GOALS

During 2018, Midas Gold's objectives are to continue to advance the permitting process for the Project under NEPA and, in parallel, to advance the technical work and studies needed to support the completion of a feasibility study for the Project. In conjunction with the foregoing, Midas Gold will continue to engage and consult with regulators, communities, tribes and other stakeholders in respect of the concepts for the Project set out in the PRO in order to ensure that plans for the restoration and redevelopment of the Project addresses concerns and issues to the extent environmentally, technically and commercially feasible.

The Corporation continues to balance the timing and prioritization of expenditures with the intention of delivering the Corporation's major objectives in a timely and cost-effective manner.

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected consolidated financial information of the Corporation for the years ended December 31, 2017, 2016 and 2015:

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, 2017	-	(8,292,263)	(0.05)	90,641,162	52,762,758	-
December 31, 2016	-	(46,163,054)	(0.27)	109,030,690	68,381,594	-
December 31, 2015	-	(10,923,528)	(0.07)	76,587,908	-	-

RESULTS OF OPERATIONS

Net Loss and Comprehensive Loss

	Three Months Ended		Year Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
EXPENSES				
Consulting	\$ 887	\$ 6,229	\$ 24,886	\$ 14,509
Corporate salaries and benefits	370,504	391,419	854,368	945,490
Depreciation	75,224	236,671	639,731	1,033,331
Directors' fees	24,640	25,538	107,720	106,394
Exploration and evaluation	7,333,818	3,549,396	20,978,354	9,017,422
Office and administrative	37,536	52,572	164,066	251,446
Professional fees	157,073	94,291	275,736	165,431
Share based compensation	266,102	160,867	1,609,354	745,841
Shareholder and regulatory	70,760	93,554	385,020	316,478
Travel and related costs	42,267	36,918	163,868	122,744
OPERATING LOSS	\$ 8,378,811	\$ 4,647,275	\$ 25,203,102	\$ 12,719,086
OTHER (INCOME) EXPENSES				
Change in fair value of warrant derivative	\$ (71,351)	\$ (247,626)	\$ (839,455)	\$ 2,980,265
Change in fair value of Convertible Note derivative	(4,554,699)	(1,878,728)	(21,799,942)	31,249,896
Finance Costs	590,968	508,700	2,232,310	2,128,914
Foreign exchange (gain) loss	(274,252)	(1,597,215)	3,789,794	(2,700,031)
Interest income	(56,971)	(165,583)	(293,546)	(215,076)
Total other expenses	\$ (4,366,305)	\$ (3,380,452)	\$ (16,910,839)	\$ 33,443,968
NET LOSS AND COMPREHENSIVE LOSS	\$ 4,012,506	\$ 1,266,823	\$ 8,292,263	\$ 46,163,054

Net loss and comprehensive loss for Midas Gold for the three-month period ending December 31, 2017 was \$4.0 million compared with a loss of \$1.3 million for the corresponding period of 2016. This \$2.7 million change for the three months was primarily attributable to a \$2.7 million increase in non-cash gains related to the change in the fair value of the embedded derivative ("Convertible Note Derivative") on the convertible notes ("Convertible Notes"), offset by a decrease of \$1.3 million in foreign exchange gains and a \$3.8 million increase in exploration and evaluation expenses. Net loss and comprehensive loss for Midas Gold for the year ended December 31, 2017 was \$8.3 million compared with a loss of \$46.2 million for the corresponding period of 2016. This \$37.9 million decrease for the year was primarily attributable to a \$53.0 million increase in non-cash gains related to the change in fair value of the Convertible Note Derivative on Convertible Notes and a \$3.8 million increase in non-cash gains related to the change in fair value of the warrant derivative partially offset by a \$6.5 million decrease in foreign exchange gains, a \$0.9 million increase in share based compensation and a \$12.0 million increase in exploration and evaluation expenses. As noted above, the Corporation's main focus for the year ended December 31, 2017 was the continued evaluation and advancement of the Stibnite Gold Project.

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 year is higher than the comparable period in 2016 as a result of an IT security consulting project that was undertaken.

Corporate 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 and quarter ended December 31, 2017 are lower than the prior year due to short term incentive payments being incurred in Q1 2016 that related to 2015, however for 2016 short term incentive payments the costs were accrued in Q4 2016. In addition, there was a reduction in the corporate office headcount by one employee during the year.

Depreciation

This expense relates to the depreciation of the Corporation's building and equipment. The expense for the current quarter and year is lower than the comparable periods in the previous year due to building and equipment being fully depreciated.

Directors' Fees

Each of the Corporation's non-executive directors is entitled to annual base fee of C\$19,200 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. Additionally, on March 17, 2016, two independent directors were replaced by directors nominated by Paulson & Co. who have elected not to receive a fee. This expense for the current quarter and year is consistent with the comparable periods in the previous year.

Exploration and Evaluation

This expense relates to all exploration and evaluation expenditures related to the Stibnite Gold Project, including labour, drilling, field office costs, engineering and environmental and sustainability costs. Efforts for the Project were scaled back during the first quarter in 2016 until the Corporation secured a financing package; in 2017 efforts were back to full scale to support the advancement of a feasibility study and the permitting process and a small drilling program for geotechnical and resource optimization, all of which resulted in a \$12.0 million increase in expenditures over the prior year spread throughout each department. Additional details of expenditures incurred are as follows:

	Three Months Ended		Year Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Exploration and Evaluation Expenditures				
Consulting and labor cost	1,440,229	1,259,715	4,580,860	3,638,380
Drilling	336,437	504,217	1,677,386	706,497
Field office and drilling support	625,278	619,073	2,285,924	1,487,531
Engineering	1,961,836	494,562	3,867,800	749,884
Permitting	1,859,495	13,045	5,145,511	
Environmental and reclamation	896,087	529,843	3,000,804	2,395,704
Legal and sustainability	214,457	89,738	420,069	
Geochemistry and geophysics	-	39,204	-	39,426
EXPLORATION AND EVALUATION EXPENSE	\$ 7,333,818	\$ 3,549,397	\$ 20,978,354	\$ 9,017,422

Office and Administrative

This expense for the current quarter is predominantly the maintenance of an office in Vancouver, BC. The costs for the current quarter are consistent with the comparative period in the prior year. The costs for the year ended December 31, 2017 are lower than the prior year primarily due to a donation made in lieu of employee bonus during Q1 2016 and a reduction in rent expense subsequent to moving to a smaller office.

Professional Fees

This expense relates to the legal and accounting costs of the Corporation. The costs for the three months and year ended December 31, 2017 are higher than the comparative periods in the prior year due to increased legal fees.

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 three months and year ended December 31, 2017 is higher than the comparative periods in 2016 due to an increased number of options granted in the 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 annual financial statements for the year ended December 31, 2017. The fair value of each option granted in 2017 has increased with the increased price of the Corporation's common shares.

Shareholder and Regulatory

This expense is associated with marketing, licenses and fees, and shareholder communications. The expense for the current quarter is comparable to the same quarter in the previous year, while the expense for the year is higher than the prior year due to an increase in conference fees and annual general meeting costs due to a significant increase in number of shareholders.

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 quarter is comparable to the same quarter in the previous year. The expense from the current year is higher than the previous year for attendance at various conferences throughout the US and overseas.

Change in Fair Value of Warrant Derivative

The Corporation has issued warrants in various financing transaction since 2013, all with exercise prices denominated in Canadian dollars. The Corporation determined that warrants 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 (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. The change in fair value is due to a decrease in the Corporation's share price. 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 Note Derivative described above, the Corporation incurred costs associated with financing. In the current quarter, finance costs are primarily made up of accretion and interest expenses and are higher than the comparable period in 2017 due to the compounding interest on the principal balance of the Convertible Notes. For the year ended December 31, 2017 finance costs are primarily made up of accretion and interest expenses, while finance costs in the prior year are primarily made up of note issuance costs, accretion and interest expenses.

Foreign Exchange

The small gain for the current quarter and overall loss for the current year is a result of the translation of the Corporation's Canadian dollar denominated balances as at December 31, 2017, primarily on the Convertible Note and the Convertible Note Derivative. Foreign exchange losses have increased from the comparative quarter and year due to the change in the value of the Canadian dollar compared to the US dollar.

Interest Income

This income results from interest received on the Corporation's cash balances. Interest income in the current quarter is lower than the comparable period in the prior year due to a lower average cash balance for the last three months of the year, while interest income for the year is higher than the prior year due to overall higher average cash balances and higher interest rates.

Statement of Financial Position

An analysis of the December 31, 2017 and December 31, 2016 statements of financial position of the Corporation follows.

Total Assets

Total assets decreased during the year ended December 31, 2017 from \$109.0 million to \$90.6 million primarily as a result of cash used in operations to fund the Stibnite Gold Project, partially offset by cash received for the exercise of warrants during the second quarter of 2017.

Equity

Equity decreased during the year ended December 31, 2017 from \$37.5 million to \$34.4 million primarily as a result of the current year loss, partially offset by exercise of warrants during Q2 2017 and the share-based compensation expense from the offerings in 2017.

Total Liabilities

Total liabilities decreased during the year ended December 31, 2017 from \$71.5 million to \$56.3 million, primarily as a result of the change in fair value of the Convertible Note Derivative, which decreased from \$49.0 million at December 31, 2016 to \$29.8 million at December 31, 2017, partially offset by the increase in accreted value of the Convertible Notes, which increased from \$19.3 million at December 31, 2016 to \$22.9 million at December 31, 2017. 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).

Cash Flows

Midas Gold's net change in cash and cash equivalents for the year ended December 31, 2017 was an outflow of \$18.7 million (2016 – \$32.7 million inflow). The outflows from operating activities during the year were partially reduced by inflows from financing activities.

Operating cash outflows for the year ended December 31, 2017 were \$20.9 million (2016 - \$10.5 million) and Investing cash outflows for the year ended December 31, 2017 were \$0.2 million (2016 – \$0.6 million). Financing cash inflows for the year ended December 31, 2017 were \$2.6 million (2016 – \$44.0 million)

Long term liabilities at December 31, 2017 (above) include a Convertible Note and Convertible Note Derivative balance of \$22.9 million and \$29.8 million, respectively (2016 - \$19.3 million and \$49.0 million, respectively). 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.

Quarter Ended	Revenue	Net Loss & Comprehensive Loss	Basic & Diluted Loss per Share	Total Assets	Long Term Liabilities	Cash Dividend
	\$	\$	\$	\$	\$	\$
December 31, 2017	-	(4,012,506)	(0.02)	90,641,162	52,762,758	-
September 30, 2017	-	(2,948,146)	(0.02)	97,010,277	57,075,780	-
June 30, 2017	-	(655,226)	(0.00)	103,230,928	60,255,582	-
March 31, 2017	-	(676,383)	(0.00)	104,662,545	64,708,086	-
December 31, 2016	-	(1,266,823)	(0.01)	109,030,690	68,381,594	-
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	-

The Corporation has had relatively consistent operating losses over the past two years, the most significant variances to the net loss and comprehensive loss is the change in the fair value of the warrant derivative, the Convertible Note Derivative and foreign exchange losses on the Convertible Notes and Convertible Note Derivative. Exploration and evaluation expenditures create variances dependent on the nature of the work that is being completed in each quarter. 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 December 31, 2017, Midas Gold had cash totaling approximately \$18.9 million, approximately \$0.3 million in other current assets and \$3.2 million in trade and other payables.

With its current capital resources, Midas Gold has sufficient funds to continue to advance the Stibnite Gold Project towards completion of a feasibility study and to continue to advance the regulatory process related to permitting for mine development, but additional funding will be required to complete this work. During 2018 and beyond, Midas Gold plans to:

- Continue 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 the ongoing regulatory processes related to permitting for site restoration and redevelopment of the Project;
- Continuing to advance the Project towards completion of a Feasibility Study;
- Continuing to advance 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 would provide a social and economic benefit to the local community and restoration of the Project site.

Midas Gold has a current liability of \$0.3 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 \$52.8 million related to the Convertible Notes and the related 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 related to the \$29.8 million Convertible Note Derivative 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 capital resources and liquidity, that the Corporation will have sufficient assets to discharge its liabilities as they become due, to continue to advance the Stibnite Gold Project into the latter part of 2018, but will require additional funding to continue to advance both the feasibility study and permitting of the Project later in 2018 and beyond. Since such expenditures include discretionary items, reprioritization would allow the Corporation to meet its administrative and overhead requirements for more than a year by deferring certain of these discretionary expenditures.

Contractual Obligations

Office Rent

The Corporation entered into various lease agreements for office and storage space. The total rent obligation over the next five years is \$345,921 with \$217,254 due within one year and \$128,667 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 of \$235,000 to maintain the claims in good standing. The Corporation is committed to these payments indefinitely. Related to the mining claims, as at December 31, 2017 is a \$168,000 bond related to the Corporation's exploration activities.

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 an option to purchase to obtain title to these claims. As at December 31, 2017 the remaining option payments due on the Cinnabar prospect are \$160,000, which will be paid over the next four years. The new agreement includes an option to extend up to 20 years.

OFF BALANCE SHEET ARRANGEMENTS

The Corporation has no off balance sheet arrangements as of December 31, 2017 and the date of this MD&A.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the year ended December 31, 2017, 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, 2017	December 31, 2016
Salaries and benefits	\$ 1,037,344	\$ 1,056,121
Share based compensation	649,386	464,227
	<u>\$ 1,686,730</u>	<u>\$ 1,520,348</u>

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the three-month periods ended December 31, 2017 and 2016.

There were no balances outstanding with related parties at December 31, 2017.

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. As of December 31, 2017, 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, filings and the claims are all in good standing. Normal maintenance and upkeep of the Project infrastructure continued during the quarter.

Permitting for Development

On December 13, 2016, the U.S. Forest Service reported that it had determined that the PRO filed by Midas Gold Idaho, Inc. on September 21, 2016 for the restoration, re-development and operation of the Stibnite Gold Project in Valley County, Idaho met the requirements for a plan of operations under U.S. Forest Service regulations allowing the USFS to commence the formal review of the Project under the National Environmental Policy Act ("NEPA"). The U.S. Forest Service completed public scoping under NEPA during the third quarter and the regulatory agencies are conducting alternatives for analyses as required under NEPA. The NEPA review is being undertaken in a coordinated process by seven federal, state and local agencies under a memorandum of understanding.

District Exploration

As reported in filings and press releases during the year, the Corporation completed a drill program that focused on enhancing and de-risking the mineral resource associated with the Project. The meterage drilling completed during the reporting period consisted of twelve HQ diameter-oriented core holes totalling 2,175 meters (7,137 feet). In addition, a total of 17 auger and sonic holes, totalling 634 meters (or approximately 2,080 feet), were completed and logged for geotechnical data in the area around the proposed tailings storage facility, tunnel and access road.

Other activities continued with efforts directed at updating geological, alteration and structural modelling of the mineral resources.

Environmental and Other Matters Pertaining to the Stibnite Gold Project

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, 2016 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 decreased from \$37.2 million at December 31, 2016 to \$18.9 million at December 31, 2017. There have been no other significant changes in the Corporation's financial instruments since December 31, 2016, 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

	March 14, 2018	December 31, 2017
Common shares issued and outstanding	187,202,765	186,356,265
Options outstanding	16,579,250	13,930,750
Warrants outstanding	2,000,000	2,000,000
Shares issuable on conversion of Convertible Note	140,955,666	140,955,666
Total	346,737,681	343,242,681

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 both the design and operating effectiveness of its DC&P and ICFR and concluded that, as of December 31, 2017, 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 December 31, 2017 which have materially affected, or are reasonably likely to

materially affect, ICFR.

EXTRACTIVE SECTOR TRANSPARENCY MEASURE ACT – REPORTING

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 year ended December 31, 2017, it has made payments of fees and taxes, as defined by the Act, of US\$619,168 (2016: US\$550,834), to government entities of the below. The Act only requires payments greater than C\$100,000 to be reported and the Corporation will follow these requirements, however the below is provided for additional transparency.

Quarter	Payee	Details	Amount
2017 Q1	Idaho Department of Lands	Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project	\$45,047
	US Forest Service	Reimbursement of salary and operating expenses for the USFS to oversee the EIS process for the Stibnite Gold Project for the first half of the year	\$94,682
2017 Q2	Idaho Department of Lands	Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project	\$45,047
	City of Donnelly	Donation for city park	\$10,000
2017 Q3	Bureau of Land Management	Annual land claims fees for 1,510 claims	\$235,290
	US Forest Service	Reimbursement of salary and operating expenses for the USFS to oversee the EIS process for the Stibnite Gold Project for the second half of the year	\$80,564
	Idaho Department of Lands	Reimbursement of expenditures related to water quality testing at the Stibnite Gold Project.	\$61,047
	Idaho Department of Water Resources	Reimbursement of expenditures related to the stream gaging program at the Stibnite Gold Project	\$25,900
2017 Q4	Valley County Tax Collector	Property Taxes	\$21,609
	Total		\$619,186

USE OF PROCEEDS

The Corporation received net proceeds of \$41.4 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 \$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 are compared to expenditures from July 1, 2016 onwards. See below for the actual use of proceeds as of December 31, 2017:

Expense Category (in millions)	Proposed Use of Proceeds	Actual Use of Proceeds	Remaining to be Spent / Difference
Baseline Data Collection & Land Title	\$ 8.3	\$ 4.5	\$ 3.8
Permitting and Regulatory	8.3	6.1	2.2
Technical Studies, FS & Exploration	12.4	14.3	(1.9)
Legal & Sustainability	4.1	2.5	1.6
Corporate Costs and Working Capital	8.3	3.4	4.9
	\$ 41.4	\$ 30.8	\$ 10.6

- (i) *Subsequent to the March 2016 financing, the Board approved an additional \$1.4 million to the drilling budget over the life of the Project. This increase was funded by the proceeds from exercise of warrants that expired on May 20, 2017. As a result, the actual use of proceeds for Technical Studies, FS & Exploration includes the additional drilling expenditures.*

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, convertible debentures, warrants, options or other securities.

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, 2017 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 the future production of mineral reserves.

The commercial feasibility of the Project and Midas Gold's 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 the Project 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 affected, thereby materially and adversely impacting the value and price of Midas Gold's common shares.

Global financial markets can have 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 financial market turmoil can include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global and specifically mining equity markets, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A 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, lack of future financing, changes in interest rates and tax rates may adversely affect Midas Gold's growth and profitability potential.

Specifically:

- a 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.

Mineral exploration and development in the United States is subject to numerous regulatory requirements on land use.

Mineral exploration and development in the 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 United States have been subjected to regulatory delays or actions that have impeded the progress of these projects towards production. Such delays can increase the funding requirements of the Company as expenditures continue for a longer period of time.

Resource exploration and development is a high risk, speculative business.

Resource exploration and development 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 mineral deposit identified by Midas Gold will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

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.

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.

Mineral exploration and development activities are subject to geologic uncertainty and inherent variability.

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

The quantification of mineral resources and mineral reserves is based on estimates and is subject to great uncertainty.

The calculations of amounts of mineralized material within mineral resources and mineral reserves are estimates only. Actual recoveries of gold and other potential by-products from mineral resources and mineral reserves may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade, tonnage 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 pilot plant 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 a deposit is actually mined and processed, the quantity of mineral reserves, mineral resources and grades must be considered as estimates only. In addition, the determination and valuation of mineral reserves and mineral resources is based on, among other things, assumed metal prices. Market fluctuations and metal prices may render mineral resources and mineral reserves uneconomic. Any material change in quantity of mineral reserves, mineral resources, grade, tonnage, 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.

Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.

The mining industry has at times been subjected to conditions that have resulted in significant increases in the cost of equipment, labour and materials. Midas Gold used benchmarked data for the operation and capital costs included in its PFS issued December 15, 2014, however there is no guarantee that development or operations of the Project will eventuate, and if it did, such operating or capital costs will prevail.

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 does not generate any revenues 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 activities primarily through the sale of Midas Gold's securities such as common shares and convertible notes. Midas Gold will need to continue its reliance on the sale of its securities for future financing, resulting in dilution to existing shareholders. Further activities 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 activities.

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.

Midas Gold does not generate revenue and has announced a plan of how it intends to use the proceeds from the issuance of the Convertible Notes over the term of the Convertible Notes. In order to repay the outstanding principal Midas Gold either

needs to arrange debt, equity or other forms of funding, to either develop the Stibnite Gold Project and repay the Convertible Notes from operating cash flows, repay the Convertible Notes in full, or convert the Convertible Notes into common shares. The risks associated with the development of the Stibnite Gold Project as stated in this section are high. There are no circumstances in which the Corporation would be required to pay cash upon conversion 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.

Sales of substantial amounts of Midas Gold's common shares into the public market by unrelated shareholders, 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 the Corporation's common shares.

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'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.

Third parties commonly challenge permits related to exploration, development and mining projects and there is possibility that such parties may challenge Midas Gold's permits for its activities. Such challenges would extend the timeframes anticipated for the Project advancement and increase funding requirements beyond those currently anticipated.

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 U.S. 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 activities and would delay or prevent the beginning of commercial operations.

Midas Gold's activities are subject to environmental liability.

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.

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.

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 advance the Project or to acquire suitable prospects for exploration in the future.

Midas Gold's exploration efforts may be unsuccessful.

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.

Midas Gold's mineral resource and mineral reserve estimates may not be indicative of the actual gold that can be mined.

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 and mineral reserve 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 mineral resource and/or mineral reserve estimates being overstated, the mineable gold that can be received from the project being less than the mineral resource and mineral reserve estimates, and the Project not being a viable project.

If Midas Gold's mineral resource and mineral reserve estimates for the Project are not indicative of actual grades 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 generate any revenues from operations or production. Putting a mining project into production requires substantial planning and expenditures and, whilst several members of the management, have mine construction experience, 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 expects 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 proposed 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 the Project or any other 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 the Corporation's control. Midas Gold may never generate any revenues or achieve profitability. If Midas Gold does not achieve profitability, it would 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 U.S. Under U.S. 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 activities 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's ability to explore and, if warranted, develop 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.

Several of the patented lode and mill site claims acquired by Midas Gold over the West End Deposit and the Cinnabar claim groups (held under option) are subject to a consent decree, which covers certain environmental liability and remediation responsibilities with respect to such claims. 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. Several of the patented claims in the Hangar Flats and Yellow Pine properties are subject to a consent decree between the owner of those claims and the United States, which creates certain obligations on that owner, including that that 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.

All industries, including mining, are subject to legal claims with or without merit. Defense and settlement costs can be substantial, even with respect to claims without merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular claim could have an effect on the Corporation's financial position. It is possible that any proposal to develop a mine on the Project, or any governmental approval for such a development, could be challenged in court by third parties, the effect of which would be to delay and possibly entirely impede the Corporation from developing the Project or commencing production.

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 any 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 such persons 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. Directors and officers of the Corporation with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

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 the Corporation 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 and development of, and production from, 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.

Additionally, the Corporation is not insured against most environmental risks. Insurance against all environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products by third-parties occurring as part of historic exploration and production) has not been generally available to companies within the industry. The Corporation periodically evaluates the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, or with limited amounts of such insurance, and if the Corporation becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Corporation has to pay such liabilities and result in bankruptcy. Should the Corporation be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

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 activities. The shortage of such supplies, equipment and parts could have a material adverse effect on Midas Gold’s ability to carry out its activities and therefore have a material adverse effect on the cost of doing business.

A cyber security incident could adversely affect Midas Gold’s ability to operate its business.

Information systems and other technologies, including those related to the Corporation’s financial and operational management, and its technical and environmental data, are an integral part of the Corporation’s business activities. Network and information systems related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, or other malicious activities or any combination of the foregoing or power outages, natural disasters, terrorist attacks, or other similar events could result in damages to the Corporation’s property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in the Corporation’s information technology systems including personnel and other data that could damage its reputation and require the Corporation to expend significant capital and other resources to remedy any such security breach. Insurance held by the Corporation may mitigate losses however in any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Corporation for any disruptions to its business that may result and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Corporation. There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect of the business of the Corporation.

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 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 a SEC registered Corporation nor are any of its subsidiaries.