

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 333-145141



**MIDWAY GOLD CORP.**

(Exact Name of Registrant as Specified in its Charter)

**British Columbia**

(State of other jurisdiction of incorporation or organization)

**98-0459178**

(I.R.S. Employer Identification No.)

**Unit 1 – 15782 Marine Drive  
White Rock, British Columbia, Canada**

(Address of Principal Executive Offices)

**V4B 1E6**

(Zip Code)

**(604) 536-2711**

(Registrant's Telephone Number, including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller Reporting Company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  Yes  No

Number of Shares outstanding at August 1, 2008 52,321,664

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## **EXPLANATORY NOTE**

All references to "\$" in this report means the Canadian dollar. All references to "US\$" refers to the U.S. dollar, and unless otherwise indicated all currency amounts in this report are stated in Canadian dollars.

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

MIDWAY GOLD CORP.  
(An exploration stage company)  
CONSOLIDATED INTERIM BALANCE SHEETS  
(Expressed in Canadian dollars)

	<b>June 30, 2008</b>	December 31, 2007
	<b>(unaudited)</b>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,330,950	\$ 8,325,280
Amounts receivable	88,019	108,364
Prepaid expenses	94,755	89,462
	<b>4,513,724</b>	8,523,106
Investments (note 3)	593,000	850,000
Reclamation deposit	433,424	349,239
Equipment (note 4)	279,943	237,326
Mineral properties (note 5)	48,574,045	47,452,905
	<b>\$ 54,394,136</b>	\$ 57,412,576
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,516,744	\$ 518,424
Future income tax liability	7,966,959	8,201,067
Stockholders' equity (note 6)		
Common stock authorized - unlimited, no par value		
Issued - 51,446,664 (2007 - 49,682,664)	84,391,669	80,507,539
Additional paid in capital	5,211,359	5,375,624
Accumulated other comprehensive loss	(377,000)	(120,000)
Deficit accumulated during the exploration stage	(44,315,595)	(37,070,078)
	<b>44,910,433</b>	48,693,085
	<b>\$ 54,394,136</b>	\$ 57,412,576

Nature of operations (note 1)  
Commitments (note 5)  
Contingency (note 8)  
Subsequent events ( notes 5(b), 8 and 9)

Approved on behalf of the Board:

“George Hawes” Director

“Alan Branham” Director

The accompanying notes are an integral part of these consolidated interim financial statements.

MIDWAY GOLD CORP.  
(An exploration stage company)  
CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS  
(Expressed in Canadian dollars) (unaudited)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007	Cumulative period from inception (Mar 14, 1996) to June 30, 2008
Expenses					
Consulting	\$ 23,836	\$ 45,061	\$ 49,945	\$ 49,029	\$ 349,860
Depreciation	32,793	15,902	60,721	25,849	424,690
Gain on sale of subsidiary	-	-	-	-	(2,806,312)
Interest and bank charges	1,024	1,143	2,216	3,008	819,543
Investor relations	45,864	30,723	89,535	114,387	992,092
Legal, audit and accounting	93,767	78,337	142,604	111,921	1,382,894
Management fees	-	-	-	-	265,000
Mineral exploration expenditures (schedule)	3,984,331	3,420,538	6,321,363	4,407,548	40,096,169
Mineral property interests written off (note 5)	65,454	-	65,454	-	90,643
Office and administration (note 7)	45,734	5,832	82,170	43,380	997,360
Salaries and benefits	332,857	376,167	622,117	632,626	5,498,532
Transfer agent and filing fees	37,092	21,038	71,120	27,630	334,869
Travel	42,498	42,781	86,946	61,864	619,057
Operating loss	4,705,250	4,037,522	7,594,191	5,477,242	49,064,397
Other income (expenses):					
Foreign exchange gain (loss)	56,705	549,439	(207,313)	526,776	1,098,983
Interest income	29,887	84,340	93,756	161,697	803,482
Loss on sale of equipment	(1,769)	-	(1,769)	-	(2,884)
Investment write down	-	-	-	-	(30,000)
Other income	-	-	-	-	87,221
	84,823	633,779	(115,326)	688,473	1,956,802
Net loss before income tax	4,620,427	3,403,743	7,709,517	4,788,769	47,107,595
Income tax recovery	359,000	-	464,000	-	2,792,000
Net loss	\$ 4,261,427	\$ 3,403,743	\$ 7,245,517	\$ 4,788,769	\$ 44,315,595
Basic and diluted loss per share	\$ 0.08	\$ 0.08	\$ 0.14	\$ 0.12	
Weighted average number of shares	50,259,961	43,645,268	50,035,549	39,823,515	

The accompanying notes are an integral part of these consolidated interim financial statements.

MIDWAY GOLD CORP.  
(An exploration stage company)  
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS  
(Expressed in Canadian dollars) (unaudited)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007	Cumulative period from inception (Mar 14, 1996) to June 30, 2008
Cash provided by (used in):					
Operating activities:					
Net loss	\$ (4,261,427)	\$ (3,403,743)	\$ (7,245,517)	\$ (4,788,769)	\$ (44,315,595)
Items not involving cash:					
Depreciation	32,793	15,902	60,721	25,849	424,690
Stock-based compensation	192,471	296,519	334,476	473,779	4,817,341
Unrealized foreign exchange loss (gain)	(59,563)	(591,786)	229,892	(590,000)	(1,276,328)
Unrealized loss on investment	-	-	-	-	30,000
Non-cash interest expense	-	-	-	-	234,765
Income tax recovery	(359,000)	-	(464,000)	-	(2,792,000)
Gain on sale of subsidiary	-	-	-	-	(2,806,312)
Loss on sale of equipment	1,769	-	1,769	-	2,884
Write off of mineral property interests	65,454	-	65,454	-	90,643
Change in non-cash working capital items:					
Amounts receivable	3,507	66,491	20,345	(23,966)	(71,515)
Prepaid expenses	68,862	23,419	(5,293)	(227,674)	(114,797)
Accounts payable and accrued liabilities	22,843	1,169,341	388,532	990,918	1,001,961
	<b>(4,292,291)</b>	<b>(2,423,857)</b>	<b>(6,613,621)</b>	<b>(4,139,863)</b>	<b>(44,774,263)</b>
Investment activities:					
Proceeds on sale of subsidiary	-	-	-	-	254,366
Proceeds on sale of equipment	919	101,638	919	(159,277)	1,613
Proceeds on sale of mineral property	-	(64,854)	-	(128,700)	233,459
Mineral property acquisitions	(115,524)	-	(488,306)	-	(16,722,830)
Deferred acquisition costs	-	-	-	-	(23,316)
Purchase of equipment	(31,322)	-	(106,026)	-	(1,692,633)
Reclamation deposit	(20,181)	(76,606)	(84,185)	(76,606)	(848,807)
	<b>(166,108)</b>	<b>(39,822)</b>	<b>(677,598)</b>	<b>(364,583)</b>	<b>(18,798,148)</b>
Financing activities:					
Advance from Red Emerald Ltd.	-	-	-	-	12,010,075
Common stock issued, net of issue costs	2,922,628	5,127,347	3,296,889	5,472,697	49,568,681
Convertible debenture	-	-	-	-	6,324,605
	<b>2,922,628</b>	<b>5,127,347</b>	<b>3,296,889</b>	<b>5,472,697</b>	<b>67,903,361</b>
(Decrease) increase in cash	<b>(1,535,771)</b>	<b>2,663,668</b>	<b>(3,994,330)</b>	<b>968,251</b>	<b>4,330,950</b>
Cash and cash equivalents, beginning of period	<b>5,866,721</b>	<b>6,873,422</b>	<b>8,325,280</b>	<b>8,568,839</b>	<b>-</b>
Cash and cash equivalents, end of period	<b>\$ 4,330,950</b>	<b>\$ 9,537,090</b>	<b>\$ 4,330,950</b>	<b>\$ 9,537,090</b>	<b>\$ 4,330,950</b>
Non-cash financing and investing activities:					
Securities issued for mineral property acquisition	\$ -	\$ 27,028,505	\$ 88,500	\$ 27,028,505	
Mineral property costs included in accounts payable	609,788	-	609,788	-	
Fair value of stock options exercised	-	351,533	289,336	351,533	
Fair value of share purchase warrants exercised	209,405	379,115	209,405	379,115	
Future income tax liability on mineral property acquisition	-	10,170,000	-	10,170,000	

The accompanying notes are an integral part of these consolidated interim financial statements.

**MIDWAY GOLD CORP.**  
(An exploration stage company)  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars) (unaudited)

	<b>Three months ended June 30, 2008</b>	Three months ended June 30, 2007	<b>Six months ended June 30, 2008</b>	Six months ended June 30, 2007
Net loss for the period before other comprehensive loss	<b>4,261,427</b>	3,403,743	<b>7,245,517</b>	4,788,769
Unrealized (gain) loss on investment	<b>(42,000)</b>	-	<b>257,000</b>	-
<b>Comprehensive loss</b>	<b>\$ 4,219,427</b>	\$ 3,403,743	<b>\$ 7,502,517</b>	\$ 4,788,769

**MIDWAY GOLD CORP.**  
(An exploration stage company)  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
(Expressed in Canadian dollars) (unaudited)

	Number of shares	Common stock	Additional paid- in capital	Accumulated other comprehensive loss	Accumulated deficit during the exploration stage	Total stockholders' equity
<b>Balance, May 14, 1996 (date of inception)</b>	-	-	-	-	-	-
Shares issued:						
Private placements	700,000	168,722	-	-	-	168,722
Net loss	-	-	-	-	(114,800)	(114,800)
<b>Balance, December 31, 1996</b>	700,000	168,722	-	-	(114,800)	53,922
Shares issued:						
Initial public offering	2,025,000	590,570	-	-	-	590,570
Principal shares	750,000	7,500	-	-	-	7,500
Private placement	1,000,000	1,932,554	321,239	-	-	2,253,793
Exercise of share purchase warrants	1,000,000	2,803,205	-	-	-	2,803,205
Acquisition of mineral property interest	1,000,000	2,065,500	-	-	-	2,065,500
Finders fee	150,000	309,825	-	-	-	309,825
Net loss	-	-	-	-	(2,027,672)	(2,027,672)
<b>Balance, December 31, 1997</b>	6,625,000	7,877,876	321,239	-	(2,142,472)	6,056,643
Shares issued:						
Exercise of share purchase warrants	100,000	332,124	(32,124)	-	-	300,000
Acquisition of mineral property interest	200,000	246,000	-	-	-	246,000
Finders fee	150,000	224,250	-	-	-	224,250
Net loss	-	-	-	-	(1,943,674)	(1,943,674)
<b>Balance, December 31, 1998</b>	7,075,000	8,680,250	289,115	-	(4,086,146)	4,883,219
Consolidation of shares on a two for one new basis	(3,537,500)	-	-	-	-	-
Net loss	-	-	-	-	(2,378,063)	(2,378,063)
<b>Balance, December 31, 1999</b>	3,537,500	8,680,250	289,115	-	(6,464,209)	2,505,156
Net loss	-	-	-	-	(4,718,044)	(4,718,044)
<b>Balance, December 31, 2000</b>	3,537,500	8,680,250	289,115	-	(11,182,253)	(2,212,888)
Net earnings	-	-	-	-	2,427,256	2,427,256
<b>Balance, December 31, 2001</b>	3,537,500	8,680,250	289,115	-	(8,754,997)	214,368
Shares issued:						
Private placement	4,824,500	2,133,786	246,839	-	-	2,380,625
Exercise of share purchase warrants	4,028,000	1,007,000	-	-	-	1,007,000
Exercise of stock options	32,000	12,800	-	-	-	12,800
Financing shares issued	31,250	35,000	-	-	-	35,000
Acquisition of mineral property interest	4,500,000	3,600,000	-	-	-	3,600,000
Share issue costs	-	(544,260)	-	-	-	(544,260)
Stock based compensation	-	-	27,000	-	-	27,000
Net loss	-	-	-	-	(1,657,651)	(1,657,651)
<b>Balance, December 31, 2002, carried forward</b>	16,953,250	14,924,576	562,954	-	(10,412,648)	5,074,882

The accompanying notes are an integral part of these consolidated interim financial statements.

**MIDWAY GOLD CORP.**  
(An exploration stage company)  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
(Expressed in Canadian dollars) (unaudited)

	Number of shares	Common stock	Additional paid- in capital	Accumulated other comprehensive loss	Accumulated deficit during the exploration stage	Total stockholders' equity
<b>Balance, December 31, 2002 brought forward</b>	16,953,250	14,924,576	562,954	-	(10,412,648)	5,074,882
Shares issued:						
Private placement	700,000	638,838	201,162	-	-	840,000
Exercise of share purchase warrants	294,500	73,625	-	-	-	73,625
Share issue costs	-	(19,932)	-	-	-	(19,932)
Stock based compensation	-	-	531,000	-	-	531,000
Net loss	-	-	-	-	(1,352,679)	(1,352,679)
<b>Balance, December 31, 2003</b>	17,947,750	15,617,107	1,295,116	-	(11,765,327)	5,146,896
Shares issued:						
Private placement	2,234,400	2,122,269	175,407	-	-	2,297,676
Exercise of share purchase warrants	213,500	300,892	(46,267)	-	-	254,625
Exercise of stock options	250,000	157,000	(27,000)	-	-	130,000
Share issue costs	-	(183,512)	-	-	-	(183,512)
Stock based compensation	-	-	941,478	-	-	941,478
Net loss	-	-	-	-	(2,994,702)	(2,994,702)
<b>Balance, December 31, 2004</b>	20,645,650	18,013,756	2,338,734	-	(14,760,029)	5,592,461
Private placement	4,075,800	3,266,095	773,335	-	-	4,039,430
Exercise of stock options	165,500	124,364	(31,964)	-	-	92,400
Exercise of share purchase warrants	1,743,000	1,543,844	(4,844)	-	-	1,539,000
Share issue costs	-	-	-	-	-	-
Stock based compensation	-	(184,660)	488,075	-	-	303,415
Net loss	-	-	-	-	(4,402,715)	(4,402,715)
<b>Balance, December 31, 2005</b>	26,629,950	22,763,399	3,563,336	-	(19,162,744)	7,163,991
Shares issued:						
Private placements	5,725,000	10,760,355	944,645	-	-	11,705,000
Exercise of stock options	306,000	325,530	(111,330)	-	-	214,200
Exercise of share purchase warrants	3,227,000	4,182,991	(768,491)	-	-	3,414,500
Acquisition of mineral property interest	40,000	88,000	-	-	-	88,000
Share issue costs	-	(248,512)	-	-	-	(248,512)
Stock based compensation	-	-	992,400	-	-	992,400
Net loss	-	-	-	-	(7,241,228)	(7,241,228)
<b>Balance, December 31, 2006</b>	35,927,950	37,871,763	4,620,560	-	(26,403,972)	16,088,351
Shares issued:						
Private placement	2,000,000	5,400,000	-	-	-	5,400,000
Pan-Nevada acquisition	7,764,109	25,000,431	2,028,074	-	-	27,028,505
Exercise of stock options	595,000	1,485,415	(694,515)	-	-	790,900
Exercise of share purchase warrants	3,395,605	10,777,930	(2,081,407)	-	-	8,696,523
Share issue costs	-	(28,000)	-	-	-	(28,000)
Stock based compensation	-	-	1,502,912	-	-	1,502,912
Unrealized loss on investments	-	-	-	(120,000)	-	(120,000)
Net loss	-	-	-	-	(10,666,106)	(10,666,106)
<b>Balance, December 31, 2007</b>	49,682,664	80,507,539	5,375,624	(120,000)	(37,070,078)	48,693,085
Shares issued:						
Private placement	1,421,500	2,843,000	-	-	-	2,843,000
Acquisition of mineral property interest	30,000	88,500	-	-	-	88,500
Exercise of stock options	204,000	665,086	(289,336)	-	-	375,750
Exercise of share purchase warrants	108,500	364,404	(209,405)	-	-	154,999
Share issue costs	-	(76,860)	-	-	-	(76,860)
Stock based compensation	-	-	334,476	-	-	334,476
Unrealized loss on investments	-	-	-	(257,000)	-	(257,000)
Net loss	-	-	-	-	(7,245,517)	(7,245,517)
<b>Balance, June 30, 2008</b>	51,446,664	\$ 84,391,669	\$ 5,211,359	\$ (377,000)	\$ (44,315,595)	\$ 44,910,433

The accompanying notes are an integral part of these consolidated interim financial statements.

**MIDWAY GOLD CORP.**  
(An exploration stage company)  
**SCHEDULE OF MINERAL EXPLORATION EXPENDITURES**  
(Expressed in Canadian dollars) (unaudited)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007	Cumulative period from inception (May 14, 1996) to June 30, 2008
Exploration costs incurred are summarized as follows:					
<b>Midway project</b>					
Assays and analysis	\$ 56,921	\$ 344	\$ 56,921	\$ 11,698	\$ 306,398
Communication	-	-	-	-	9,513
Drilling	21,277	187,959	477,456	197,206	2,042,150
Engineering and consulting	100,238	527,323	298,511	669,848	3,705,902
Environmental	23,220	4,490	35,681	18,275	179,656
Field office and supplies	10,052	14,612	35,460	30,512	177,824
Legal	9,145	21,493	16,674	21,493	55,419
Property maintenance and taxes	511	168	3,272	2,400	336,173
Reclamation costs	-	180	422	180	27,766
Reproduction and drafting	-	-	-	-	20,803
Salaries and labour	70,655	47,209	158,421	88,324	370,808
Travel, transportation and accommodation	17,897	26,873	45,402	66,817	358,787
	<b>309,916</b>	<b>830,651</b>	<b>1,128,220</b>	<b>1,106,753</b>	<b>7,591,199</b>
<b>Spring Valley project</b>					
Assays and analysis	435,414	264,689	529,363	409,641	3,041,949
Communication	-	-	-	-	10,307
Drilling	1,561,045	1,337,171	2,105,566	1,554,769	9,601,888
Engineering and consulting	88,610	9,618	244,740	110,319	2,319,715
Environmental	3,853	98,713	8,521	135,171	294,261
Equipment rental	-	-	-	-	64,651
Field office and supplies	37,731	35,485	71,931	62,140	492,176
Legal	53,454	39,972	79,070	77,626	245,704
Operator fee	-	-	-	-	108,339
Property maintenance and taxes	8,085	7,105	8,558	7,263	363,241
Reclamation costs	790	608	3,275	608	70,900
Reproduction and drafting	-	-	-	791	29,724
Salaries and labour	162,470	152,194	294,329	194,790	891,078
Travel, transportation and accommodation	74,698	69,567	120,074	123,123	761,134
	<b>2,426,150</b>	<b>2,015,122</b>	<b>3,465,427</b>	<b>2,676,241</b>	<b>18,295,067</b>
<b>Pan project</b>					
Assays and analysis	170,586	2,462	191,597	2,462	525,299
Drilling	559,671	381,812	569,288	381,812	1,222,581
Engineering and consulting	134,569	44,093	213,295	44,093	305,630
Environmental	2,195	1,516	9,069	1,516	14,688
Field office and supplies	11,084	22,182	18,568	22,182	58,704
Legal	-	-	86	-	8,419
Property maintenance and taxes	513	824	7,173	824	131,251
Reclamation costs	-	1,435	-	1,435	46,303
Reproduction and drafting	-	-	-	-	5,738
Salaries and labour	102,454	38,974	172,989	38,974	469,853
Travel, transportation and accommodation	22,247	54,179	25,420	54,179	115,850
	<b>1,003,319</b>	<b>547,477</b>	<b>1,207,485</b>	<b>547,477</b>	<b>2,904,316</b>
<b>Maggie Creek project</b>					
Environmental	-	-	-	-	197
Field office and supplies	117	-	4,412	-	4,630
Legal	461	-	461	-	461
Property maintenance and taxes	-	-	8	-	14,275
	<b>578</b>	<b>-</b>	<b>4,881</b>	<b>-</b>	<b>19,563</b>
Sub-total balance carried forward	<b>3,739,963</b>	<b>3,393,250</b>	<b>5,806,013</b>	<b>4,330,471</b>	<b>28,810,145</b>

The accompanying notes are an integral part of these consolidated interim financial statements.

MIDWAY GOLD CORP.  
(An exploration stage company)  
SCHEDULE OF MINERAL EXPLORATION EXPENDITURES – CONTINUED  
(Expressed in Canadian dollars) (unaudited)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007	Cumulative period from inception (May 14, 1996) to June 30, 2008
Sub-total balance brought forward	3,739,963	3,393,250	5,806,013	4,330,471	28,810,145
<b>Thunder Mountain project</b>					
Assays and analysis	5,959	-	5,959	-	14,568
Drilling	-	-	35,396	-	77,956
Engineering and consulting	-	-	-	-	705
Environmental	-	-	108	-	1,717
Property maintenance and taxes	-	-	-	-	12,453
Reclamation costs	-	-	-	-	2,377
Salaries and labour	-	-	-	-	503
Travel, transportation and accommodation	-	-	55	-	55
	<b>5,959</b>	<b>-</b>	<b>41,518</b>	<b>-</b>	<b>110,334</b>
<b>Afghan project</b>					
Assays and analysis	-	-	12,808	-	19,641
Drilling	-	-	3,025	-	69,131
Engineering and consulting	-	-	-	-	10,833
Environmental	4,665	-	4,665	-	4,665
Field office and supplies	789	-	1,033	-	2,937
Legal	-	-	-	-	3,351
Property maintenance and taxes	-	-	-	-	29,159
Reclamation costs	-	-	3,795	-	4,332
Salaries and labour	-	-	107	-	10,481
Travel, transportation and accommodation	14	-	276	-	6,128
	<b>5,468</b>	<b>-</b>	<b>25,709</b>	<b>-</b>	<b>160,658</b>
<b>Gold Rock project</b>					
Assays and analysis	22,085	-	22,085	-	25,681
Drilling	62,933	-	96,168	-	96,168
Engineering and consulting	42,145	-	72,814	-	98,193
Environmental	-	-	534	-	534
Field office and supplies	5,784	-	8,838	-	12,509
Legal	-	-	1,374	-	11,526
Property maintenance and taxes	-	-	64,502	-	88,281
Reproduction and drafting	-	-	-	-	339
Salaries and labour	31,680	-	34,990	-	34,990
Travel, transportation and accommodation	11,499	-	15,701	-	19,013
	<b>176,126</b>	<b>-</b>	<b>317,006</b>	<b>-</b>	<b>387,234</b>
<b>Burnt Canyon project</b>					
Assays and analysis	13,282	-	21,921	-	21,921
Engineering and consulting	7,369	-	23,158	-	23,158
Field office and supplies	32	-	81	-	405
Legal	1,929	-	2,215	-	2,215
Property maintenance and taxes	-	-	8,535	-	8,535
Salaries and labour	-	-	2,923	-	2,923
Travel, transportation and accommodation	616	-	1,380	-	2,697
	<b>23,228</b>	<b>-</b>	<b>60,213</b>	<b>-</b>	<b>61,854</b>
<b>Pioche/Mineral Mountain project</b>					
Acquisition costs and option payments	-	-	-	-	40,340
Assays and analysis	-	-	-	-	13,037
Drilling	-	-	-	-	232,205
Engineering and consulting	-	-	-	-	38,212
Field office and supplies	-	-	-	-	16,236
Property maintenance and taxes	-	-	-	-	49,750
Reclamation costs	-	-	-	-	32,683
Travel, transportation and accommodation	-	-	-	-	21,124
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443,587</b>
Sub-total balance carried forward	<b>3,950,744</b>	<b>3,393,250</b>	<b>6,250,459</b>	<b>4,330,471</b>	<b>29,973,812</b>

The accompanying notes are an integral part of these consolidated interim financial statements.

**MIDWAY GOLD CORP.**  
(An exploration stage company)  
**SCHEDULE OF MINERAL EXPLORATION EXPENDITURES - CONTINUED**  
(Expressed in Canadian dollars) (unaudited)

	<b>Three months ended June 30, 2008</b>	Three months ended June 30, 2007	<b>Six months ended June 30, 2008</b>	Six months ended June 30, 2007	Cumulative period from inception (May 14, 1996) to June 30, 2008
Sub-total balance brought forward	<b>3,950,744</b>	3,393,250	<b>6,250,459</b>	4,330,471	29,973,812
<b>Black Prince project</b>					
Communication	-	-	-	-	938
Drilling	-	-	-	-	77,167
Engineering and consulting	-	-	-	-	78,698
Equipment rental	-	-	-	-	10,800
Field office and supplies	-	-	-	-	3,397
Geological and geophysical	-	-	-	-	63,481
Legal and accounting	-	-	-	-	1,163
Property maintenance and taxes	-	-	-	-	13,249
Reproduction and drafting	-	-	-	-	1,179
Travel, transportation and accommodation	-	-	-	-	7,255
Recoveries	-	-	-	-	(40,000)
	-	-	-	-	<u>217,327</u>
<b>Ruby Violet project</b>					
Assays and analysis	-	-	-	-	20,499
Communication	-	-	-	-	108,762
Drilling	-	-	-	-	467,372
Engineering and consulting	-	-	-	-	3,120,317
Equipment rental	-	-	-	-	337,577
Field office and supplies	-	-	-	-	277,119
Foreign exchange gain	-	-	-	-	(38,134)
Freight	-	-	-	-	234,956
Interest on convertible loans	-	-	-	-	1,288,897
Legal and accounting	-	-	-	-	453,269
Marketing	-	-	-	-	91,917
Mining costs	-	-	-	-	693,985
Processing and laboratory supplies	-	-	-	-	941,335
Property maintenance and taxes	-	-	-	-	298,752
Security	-	-	-	-	350,584
Travel, transportation and accommodation	-	-	-	-	392,031
Utilities and water	-	-	-	-	59,425
	-	-	-	-	<u>9,098,663</u>
<b>Maiden Gold project</b>					
Engineering and consulting	<b>1,785</b>	-	<b>1,785</b>	-	1,785
Field office and supplies	<b>189</b>	-	<b>189</b>	-	189
Legal and accounting	<b>9,888</b>	-	<b>9,888</b>	-	9,888
Property maintenance and taxes	<b>42</b>	-	<b>42</b>	-	42
Travel, transportation and accommodation	<b>17</b>	-	<b>17</b>	-	17
	<u><b>11,921</b></u>	<u>-</u>	<u><b>11,921</b></u>	<u>-</u>	<u>11,921</u>
<b>Property investigations</b>					
Assays and analysis	<b>11,230</b>	5,201	<b>16,840</b>	10,854	157,873
Drilling	-	-	-	-	169,129
Engineering and consulting	<b>5,022</b>	-	<b>10,482</b>	31,985	205,162
Environmental	-	7,477	<b>5,132</b>	7,477	22,761
Field office and supplies	<b>212</b>	2,078	<b>1,269</b>	2,930	16,968
Legal	<b>(2,347)</b>	-	<b>772</b>	-	1,064
Property maintenance and taxes	<b>1,274</b>	-	<b>1,274</b>	5,096	110,374
Reclamation costs	<b>239</b>	90	<b>1,471</b>	90	2,639
Reproduction and drafting	-	-	-	1,172	4,942
Salaries and labour	-	1,140	-	3,674	3,674
Travel, transportation and accommodation	<b>6,036</b>	11,302	<b>21,743</b>	13,799	99,860
	<u><b>21,666</b></u>	<u>27,288</u>	<u><b>58,983</b></u>	<u>77,077</u>	<u>794,446</u>
	<u><b>\$ 3,984,331</b></u>	<u>\$ 3,420,538</u>	<u><b>\$ 6,321,363</b></u>	<u>\$ 4,407,548</u>	<u>\$ 40,096,169</u>

The accompanying notes are an integral part of these consolidated interim financial statements.

**1. Nature of operations:**

Midway Gold Corp. (the “Company” or “Midway”) was incorporated on May 14, 1996 under the laws of the Province of British Columbia and its principal business activities are the acquisition, exploration and development of mineral properties.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company’s interest in the underlying mineral claims and upon future profitable production from or proceeds from the disposition of its mineral properties.

**2. Significant accounting policies and change in accounting policy:**

These consolidated interim financial statements for the Company have been prepared in accordance with United States generally accepted accounting principles (“US GAAP”). They do not include all of the information and disclosures required by US GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements including the notes thereto for the year ended December 31, 2007 which may be found on the Company’s profile on SEDAR and EDGAR.

The accounting policies followed by the Company are set out in note 2 to the audited consolidated financial statements for the year ended December 31, 2007 and have been consistently followed in the preparation of these consolidated interim financial statements, except as follows:

**Recently adopted accounting policies**

**Statement of Financial Accounting Standards No. 157, Fair Value Measurements**

Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (“SFAS 157”), clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures on fair value measurements. We have adopted SFAS 157 and FASB Staff Position FAS 157-2: *Effective Date of FASB Statement No. 157* effective January 1, 2008. The adoption of SFAS 157 for financial instruments as required at January 1, 2008 did not have a material effect on our consolidated financial statements; however, we are required to provide additional disclosure as part of our consolidated financial statements. We will adopt SFAS 157 for non-financial assets and non-financial liabilities on January 1, 2009 as required and do not expect the provisions to have a material effect on our consolidated financial statements.

SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The valuation of investments in marketable securities include available for sale securities. The Company’s Level 1 assets include the valuation of the common shares available for sale with no trading restrictions as determined using a market approach based upon unadjusted quoted prices for identical assets in an active market. Level 1 assets also include the valuation of warrants that are considered derivatives and are marked to market each reporting period based upon unadjusted quoted prices for identical assets in active markets. The Company’s Level 2 assets include the valuation of common shares with trading restrictions that will be removed within one year of the financial period reporting date as determined using a market approach and based upon quoted prices for identical assets in an active

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market adjusted by a discount to market comparable to the discount allowed by the TSX Venture Stock Exchange for private placements.

The determination of fair value for financial reporting purposes as at June 30, 2008 and utilizing the applicable framework is as follows:

Financial Instrument	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Available-for-sale securities	\$196,000	\$147,000	\$-	\$343,000
Derivatives	70,000	-	-	70,000
Total	\$266,000	\$147,000	\$-	\$413,000

In February 2007, the FASB issued FAS No. 159 “The Fair Value Option for Financial Assets and Financial Liabilities” including an amendment of FASB Statement No. 115. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement applies to all entities, including not-for-profit organizations. Most of the provisions of this Statement apply only to entities that elect the fair value option. FAS No. 159 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and is applicable beginning in the Company’s first quarter beginning January 1, 2008 and it had no material impact on the consolidated financial statements.

Recent United States Accounting Pronouncements:

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “Business Combinations” (“FAS 141R”), which replaces FAS 141 and SFAS No. 160, “Non-controlling Interest in Consolidated Financial Statements”, an amendment of ARB No. 51 (“FAS 160”). FAS 141R establishes principles and requirements for how an acquirer in a business combination recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any controlling interest; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. FAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. FAS 141R and FAS 160 shall be applied prospectively on or after an entity’s fiscal year that begins on or after December 15, 2008. The Company is currently assessing the impact that FAS 141R and FAS 160 will have on its consolidated financial statements but does not expect that it will have a material impact on the consolidated financial statements.

**3. Investments**

As consideration for the Company’s sale of the Jessup project to Rye Patch Gold Corp. (“Rye Patch”) the Company was issued 2,000,000 common shares of Rye Patch and 1,000,000 common share purchase warrants (the “Warrants”) on September 28, 2007. The Warrants entitle the Company to purchase one common share of Rye Patch at an exercise price of \$1.00 until September 28, 2009. The 2,000,000 common shares become available to sell beginning with 400,000 on September 28, 2007 and then 400,000 each six months after until they are all available to sell by September 28, 2009.

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June 30, 2008				
	Number of shares or warrants (ooo's)	Cost (\$)	Accumulated unrealized gains (losses) (\$)	Fair value (\$)
Restricted common shares (a)	400	180,000	-	180,000
Available for sale - common shares	1,600	720,000	(377,000)	343,000
Warrants (b)	1,000	100,000	(30,000)	70,000
<b>Total investments</b>		<b>1,000,000</b>	<b>(407,000)</b>	<b>593,000</b>

December 31, 2007				
	Number of shares or warrants (ooo's)	Cost (\$)	Accumulated unrealized gains (losses) (\$)	Fair value (\$)
Restricted common shares (a)	800	360,000	-	360,000
Available for sale - common shares	1,200	540,000	(120,000)	420,000
Warrants (b)	1,000	100,000	(30,000)	70,000
<b>Total investments</b>		<b>1,000,000</b>	<b>(150,000)</b>	<b>850,000</b>

- (a) As at June 30, 2008, 400,000 of the Rye Patch common shares are considered restricted, thus they have no active quoted market and are reported at cost until they no longer are considered restricted.
- (b) Warrants are considered derivatives thus are marked to market each reporting period with gains or losses recorded in the Statement of Operations.

During the period ended June 30, 2008, the Company recognized \$257,000 unrealized loss on the common shares of Rye Patch as the fair value at June 30, 2008 was less than the fair value at December 31, 2007.

**4. Equipment:**

	June 30, 2008			December 31, 2007		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Computer equipment	\$ 232,035	\$ 91,537	\$ 140,498	\$ 185,177	\$ 55,696	\$ 129,481
Office equipment	60,693	21,478	39,215	47,219	17,155	30,064
Field equipment	66,569	15,417	51,152	46,506	9,458	37,048
Trucks	89,389	40,311	49,078	67,629	26,896	40,733
	<b>\$ 448,686</b>	<b>\$ 168,743</b>	<b>\$ 279,943</b>	<b>\$ 346,531</b>	<b>\$ 109,205</b>	<b>\$ 237,326</b>

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**5. Mineral properties:**

The continuity of expenditures on mineral properties is as follows:

Mineral property	December 31, 2007	Additions	Written off	June 30, 2008
Midway (a)	\$ 6,394,704	\$ 4,543	\$ -	\$ 6,399,247
Spring Valley (b)	4,879,825	653,614	-	5,533,439
Pan (c)	31,961,798	127,645	-	32,089,443
Afgan (d)	4,168,784	79,218	-	4,248,002
Gold Rock (e)	23,248	240,497	-	263,745
Maggie Creek (f)	-	9,902	(9,902)	-
Burnt Canyon (g)	24,546	15,623	-	40,169
Maiden Gold (h)	-	55,552	(55,552)	-
	\$ 47,452,905	\$ 1,186,594	\$ (65,454)	\$ 48,574,045

(a) Midway property, Nevada

During 2001, the Company entered into an option agreement with Rex Exploration Corp. ("Rex") to earn a 65% interest in the Midway property, a mineral property consisting of 135 unpatented mining claims located in central Nye County, Nevada. Rex had an underlying option agreement with the owners of the mineral property whereby Rex could earn a 100% interest in the mineral property, subject to a sliding scale royalty of between 2% and 7% of net smelter returns ("NSR"), by making option payments totaling US\$275,000 over the period to August 2003 and making an option exercise payment of US\$3,000,000 on August 15, 2004 (the "Underlying Agreement"). This option exercise payment date was subsequently extended to August 15, 2005. In order for the Company to earn its 65% interest in the property, the Company agreed to make the US\$275,000 option payments to the owners required pursuant to the Underlying Agreement, incur an additional US\$925,000 on exploration and development expenditures on the property by August 15, 2004, and pay the Company's 65% share of the US\$3,000,000 option exercise payment due August 15, 2004. Effective October 30, 2002, the Company acquired all of the issued and outstanding shares of Rex in exchange for 4,500,000 common shares of the Company.

On November 2, 2004, the Underlying Agreement was amended whereby the Company has the option to acquire a 100% interest in the Midway property by further payments totaling US\$200,000 on or before August 15, 2005 (paid), subject only to a sliding scale royalty on NSR from any commercial production of between 2% to 7%, based on changes in gold prices.

In addition, the original option exercise payment of US\$3,000,000 due August 15, 2005 was replaced with a series of annual payments as advances upon the royalty payable from commercial production as follows:

Option payment US\$	Dates
250,000	On or before August 15, 2006 (paid)
250,000	On or before August 15, 2007 (paid)
300,000	On or before August 15, 2008 and annually thereafter

In the six-month period ended June 30, 2008 the Company staked additional claims within and adjacent to the Midway property.

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(b) Spring Valley property, Nevada

On August 15, 2003, the Company entered into an option agreement (the "Spring Valley Option Agreement") with an unrelated individual (the "Owner") whereby the Company had an option to acquire 100% of 44 unpatented mining claims (the "Spring Valley Claims"). During the term of the Spring Valley Option Agreement, the Company incurred minimum annual expenditures of US\$150,000 and paid the Owner US\$475,000 from 2003 until making the final payment of US\$3,000,000 on August 31, 2007 to complete the purchase of the Spring Valley Claims. The Owner retained a NSR royalty from commercial production over 500,000 ounces. The royalty is on a sliding scale increasing from 2% to 7% based on changes in gold prices. In addition, the Owner is entitled to a 1% overriding royalty on NSR from commercial production on all lands owned by the Company or an affiliate and located outside, but within a one half (1/2) mile perimeter of the Spring Valley Claims.

On September 1, 2003, the Company entered into an option agreement (the "SV Option Agreement") with an unrelated company (the "Optionor") to acquire all right, title and interest in 28 unpatented mining claims (the "SV Claims"), subject to a 2% NSR royalty on commercial production payable to the Optionor. The SV Claims are contiguous to the Spring Valley Claims. Under the terms of the SV Option Agreement, the Company is required to maintain the mineral claims in good standing and to make the following option payments:

Option payment US\$	Dates
10,000	September 10, 2003 (paid)
20,000	On or before March 1, 2004 (paid)
50,000	On or before September 1, 2004 (paid)
50,000	On or before September 1, 2005 (paid)
70,000	On or before September 1, 2006 (paid)
100,000	On or before September 1, 2007 (paid)
100,000	On or before September 1, 2008
100,000	On or before September 1, 2009
500,000	

The Company has the option to make the final option payment of US\$500,000, less the total amount of all previous option payments made, at any time. Upon making the final payment, the Company will acquire an undivided 100% interest in the SV Claims, subject only to the Optionor's 2% NSR royalty.

In 2004 the Company purchased one claim for US\$75,000.

On September 7, 2005, the Company entered into a purchase and sale agreement to buy 544 acres of surface land adjacent to the Spring Valley property for US\$108,840. Upon execution of the agreement, the Company paid a total of US\$34,142, together with a promissory note in the principal amount of US\$76,188, which was re-paid in February 2007.

On January 25, 2006, the Company entered into a purchase and sale agreement to acquire 101 federal mining claims ("Claims") from Coeur Rochester, Inc ("Coeur"), adjoining the Spring Valley property, for the price of 40,000 common shares of Midway at a value of \$2.20 per share. Coeur retains a 3% NSR royalty on any production and sale of metals from the Claims.

On April 25, 2006, the Company entered into a mineral lease agreement and option to purchase 12 unpatented lode mining claims for a series of annual payments as advances upon the 3% NSR royalty

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payable:

Option payment US\$	Dates
12,000	Upon execution of agreement (paid)
24,000	On or before April 25, 2007 (paid)
36,000	On or before April 25, 2008 (paid)
36,000	On or before each April 25 annually thereafter

The Company has the option to purchase these claims for a total purchase of US\$600,000. Any advance royalties paid will be credited against the purchase price.

On May 5, 2006, the Company purchased land and mineral rights of 920 gross acres, 320 acres net surface, 770 acres net mineral, (the "Seymork Parcel") from Seymork Investments Ltd. ("Seymork") for US\$200,000, subject to a 3% NSR royalty on any production and sale of metals from the claims. On June 11, 2008 the Court settled a long standing title dispute to this ground validating the Company's claim to the Seymork Parcel. The settlement allowed the Company to purchase two promissory notes secured against the property for approximately US\$598,000. This amount has been included in accounts payable and accrued liabilities at June 30, 2008 and was paid in early July 2008. In the future, the Company may elect to sell up to 27.6 square miles of interests in lands included in the purchase (9.1 square miles of net surface, 19 square miles net minerals) but not needed for development of the Spring Valley project to recover a portion of the cost.

On July 18, 2006, the Company entered into a mineral lease agreement and option to purchase 97 unpatented lode mining claims for a series of annual payments as advances upon a 3% NSR royalty payable:

Option payment US\$	Dates
10,000	Upon execution of agreement (paid)
15,000	On or before July 18, 2007 (paid)
20,000	On or before July 18, 2008 (paid subsequently)
20,000	On or before each July 18 annual thereafter

The Company has the option to purchase these claims for a total purchase of US\$600,000. Any advance royalties paid will be credited against the purchase price.

On September 1, 2006, the Company purchased a 40 acre parcel, located near the Spring Valley diatreme, for US\$30,000.

On October 25, 2006 Company entered into a mineral lease agreement and option to purchase 6 unpatented lode mining claims for a series of annual payments as advances upon a 3% NSR royalty payable.

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Option payment US\$	Dates
6,000	Upon execution of agreement, October 25, 2006 (paid)
12,000	On or before October 25, 2007 (paid)
20,000	On or before October 25, 2008
25,000	On or before October 25, 2009 and annually thereafter

The Company has the option to purchase each claim for a price of US\$100,000. Any advance royalties paid will be credited against the purchase price.

On October 30, 2006, the Company entered into a mineral lease agreement and option to purchase 2 unpatented lode mining claims for a series of annual payments as advances upon a 3% NSR royalty payable.

Option payment US\$	Dates
2,000	Upon execution of agreement, October 30, 2006 (paid)
4,000	On or before October 30, 2007 (paid)
5,000	On or before October 30, 2008
6,000	On or before October 30, 2009 and annually thereafter

The Company has the option to purchase each claim for a price of US\$100,000. Any advance royalties paid will be credited against the purchase price.

On June 1, 2007 the Company entered into a mineral lease agreement and option to purchase 2 unpatented lode mining claims for US\$500,000. To maintain the option the Company must make monthly payments of US\$1,000 (paid through to December 2008) and one-time payments of US\$25,000 by June 1, 2009, US\$150,000 by June 1, 2012, US\$150,000 by June 1, 2014 and US\$55,000 by June 1, 2017. All payments shall be credited towards the purchase price.

Over the years the Company has staked additional claims within and adjacent to the Spring Valley property.

(c) Pan Property, Nevada

Pursuant to the acquisition of Pan-Nevada Gold Corporation ("Pan-Nevada") effective April 16, 2007, the Company assumed the January 7, 2003 mineral lease agreement with Gold Standard Royalty Corporation ("GSRC") (formerly the Lyle Campbell Trust) for a 100% interest in the Pan property. On or before January 5 of each year the Company must pay an advance minimum royalty of the greater of US\$60,000 or the US dollar equivalent of 174 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter preceding January 1 of the year in which the payment is due. On January 1, 2008 the Company paid GSRC an advance minimum royalty of US\$118,343. The minimum advance royalties will be creditable against a sliding scale NSR production royalty of between 2.5% and 4%. The Company must incur a minimum of US\$65,000 per year work expenditures, including claim maintenance fees, during the term of the mining lease.

Subsequent to acquiring Pan-Nevada the Company staked additional claims adjacent to the Pan property some of which fall within the one mile area of interest of GSRC mining lease and will be subject to the

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NSR royalty to GSRC.

(d) Afgan Property, Nevada

Pursuant to the acquisition of Pan-Nevada effective April 16, 2007, the Company assumed the January 7, 2003 mineral lease agreement with GSRC for a 100% interest in the Afgan property. On or before January 5 of each year the Company must pay an advance minimum royalty of the greater of US\$40,000 or the US dollar equivalent of 116 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter preceding January 1 of the year in which the payment is due. On January 1, 2008 the Company paid GSRC an advance minimum royalty of US\$78,896. The minimum advance royalties will be creditable against a sliding scale NSR production royalty of between 2.5% and 4%. The Company must incur a minimum of US\$60,000 per year work expenditures, including claim maintenance fees, during the term of the mining lease.

In August 2007, Midway acquired 104 unpatented claims from WFW Resources, LLC of Elko, Nevada, for a US\$52,000 property payment and annual advance royalty payments of US\$25,000 for years 2 to 5 and US\$50,000 for years 6 to 10 with a NSR royalty of 4%. The royalty can be bought down to 1% NSR depending upon the price of gold.

(e) Gold Rock (formerly the Monte) Property, Nevada

Pursuant to the acquisition of Pan-Nevada effective April 16, 2007, the Company assumed the March 20, 2006 mineral lease agreement with GSRC for a 100% interest in the Gold Rock property. On or before January 5 of each year the Company must pay an advance minimum royalty of the greater of US\$30,000 in 2008 (paid) and US\$45,000 by January 5, 2009. By January 5, 2010 and annually thereafter US\$60,000 thereafter or the US dollar equivalent of 108.05 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter preceding January 1 of the year in which the payment is due. The minimum advance royalties will be creditable against a sliding scale NSR production royalty of between 2.5% and 4%. The Company must incur a minimum of US\$75,000 year work expenditures, including claim maintenance fees, during the term of the mining lease.

On January 15, 2007 the Company entered into a mineral lease agreement with Anchor Mineral, Inc. of Kansas, for unpatented mining claims adjoining the Gold Rock project. Advance minimum royalty payments will be due each year of the lease creditable against a 3.5% NSR production royalty.

Option payment US\$	Dates
6,000	On or before June 1, 2008 (paid)
10,000	On or before January 15, 2009
20,000	On or before January 15, 2010
30,000	On or before January 15, 2011
30,000	The greater of \$30,000 or the gold equivalent price

The gold equivalent price shall be \$30,000 multiplied by a factor of the closing price of gold on the last business day in December 2010 over the closing price of gold on January 15, 2007.

On January 24, 2008 the Company entered into a mineral lease agreement with Messrs. Pert and Moyle of Nevada for 13 unpatented mining claims over the Easy Junior deposit area. The Company paid a first annual minimum royalty of US\$50,000 and will be required to make annual minimum royalty payments of US\$50,000 for years 2 to 6; US\$60,000 for years 7 to 11 and US\$75,000 for year 12 and thereafter for the remainder of the fifteen year lease. The minimum advance royalty payments may be creditable against a

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production NSR sliding scale royalty ranging from 2% to 6% based on the gold price. The Company has an option to outright purchase the claims for US\$5,000,000 with any minimum advance royalty payments creditable against the purchase price.

On February 13, 2008 the Company entered into a mineral lease agreement with Mr. Pankow of Nevada for two unpatented mining claims adjacent to the Gold Rock project. The Company paid a first annual minimum royalty of US\$7,750 and will be required make annual minimum royalty payments of US\$7,750 for years 2 to 6; US\$9,250 for years 7 to 11 and US\$11,500 for year 12 and thereafter for the remainder of the fifteen year lease. The minimum advance royalty payments may be creditable against a production NSR sliding scale royalty ranging from 2% to 5% based on the gold price. The Company has an option to outright purchase the claims for US\$775,000 with any minimum advance royalty payments creditable against the purchase price.

On February 13, 2008 the Company was assigned an existing lease on 10 unpatented claims adjoining the Gold Rock property by William Sheriff, a director of the Company in consideration of 30,000 common shares at a value of \$88,500 issued on March 31, 2008. The Company assumes the obligations of the February 15, 2004 underlying lease with Ronny Jordan and paid Mr. Jordan the first annual lease payment of US\$10,000. During the term of the lease annual minimum royalty payments of US\$15,000 will be required each February 15 thereafter. The Company may elect at any time during the life of the agreement to purchase half of the property for US\$1,000,000 and the remaining half may be purchased for another US\$1,500,000 with all royalty payments paid prior to the purchase creditable against the purchase price. A 2.5% NSR royalty was retained by Ronny Jordan and a 0.5% NSR royalty was retained by William Sheriff.

The Company staked additional claims adjacent to the Gold Rock property some of which fall within the one mile area of interest of the GSRC mining lease or the Anchor Minerals Lease and will be subject to the NSR royalty to either GSRC or Anchor Minerals.

(f) Maggie Creek Property, Nevada

Pursuant to the acquisition of Pan-Nevada effective April 16, 2007, the Company assumed the January 7, 2003 mineral lease agreement with GSRC for a 100% interest in the Maggie Creek property. On or before January 5 of each year the Company must pay an advance minimum royalty of the greater of US\$5,000 or the US dollar equivalent of 14.5 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter preceding January 1 of the year in which the payment is due. On January 1, 2008 the Company paid GSRC an advance minimum royalty of US\$9,862. The minimum advance royalties will be creditable against a sliding scale NSR production royalty of between 2.5% and 4%. The Company must incur a minimum of US\$15,000 year work expenditures, including claim maintenance fees, during the term of the mining lease. The Company terminated the mineral lease with GSRC in the second quarter and wrote off a total of \$9,902 in mineral property costs.

(g) Burnt Canyon Property, Nevada

On November 19, 2007, the Company entered into a mineral lease agreement and option to purchase unpatented lode mining claims for a series of annual payments as advances upon a 3% NSR royalty payable.

Option payment US\$	Dates
25,000	Upon execution of agreement (paid)
25,000	On or before November 19, 2008
30,000	On or before November 19, 2009

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40,000	On or before November 19, 2010
50,000	On or before November 19, 2011 and each year thereafter

The Company has the option to purchase the claims for a price of US\$1,000,000. Any advance royalties paid will be credited against the purchase price.

On May 1, 2008, the Company entered into a mineral lease agreement and option to purchase 20 unpatented lode mining claims for a series of annual payments as advances upon the 2% NSR royalty payable:

Option payment US\$	Dates
10,000	Upon execution of agreement (paid)
10,000	On or before May 1, 2009
10,000	On or before May 1, 2010
15,000	On or before May 1, 2011
20,000	On or before May 1, 2012 and annually thereafter

The Company has the option to purchase these claims for a total purchase of US\$2,500,000. Any advance royalties paid will be credited against the purchase price.

The Company staked additional claims that comprise the Burnt Canyon property.

(h) Maiden Gold, Montana

On April 4, 2008 the Company entered into a mineral lease agreement with Patrick D. Henry and Daniel Bauer for patented mining claims and unpatented mining claims located in Fergus County, Montana. The Company paid a first annual minimum royalty of US\$45,000 and a US\$10,000 signing bonus and will be required to make annual minimum royalty payments of US\$45,000 thereafter for the remainder of the ten year lease. The minimum advance royalty payments may be creditable against a production NSR sliding scale royalty ranging from 1% to 4%. The Company has an option to outright purchase the claims for US\$1,000,000 with any minimum advance royalty payments creditable against the purchase price. The Company was not able to secure the rest of the necessary property package and abandoned this effort and wrote off the \$55,552 in total acquisition costs.

6. Share capital:

(a) The Company's authorized to issue an unlimited number of common shares.

(b) Share issuances:

- (i) During 1996, the Company issued 420,000 common shares at \$0.25 per share by way of a non-brokered private placement for proceeds of \$98,722 net of issue costs. In addition the Company issued 280,000 flow-through common shares at \$0.25 per share by way of a non-brokered private placement for proceeds of \$70,000.
- (ii) During 1997, the Company completed an initial public offering of 2,000,000 common shares at \$0.35 per share for proceeds of \$590,570, net of issue costs. In connection with this offering, the Company's

- agent received a selling commission of 10% or \$0.035 per share and was issued 25,000 shares as a corporate finance fee.
- (iii) During 1997, the Company issued 1,000,000 units at \$2.50 per unit by way of a private placement for proceeds of \$2,253,793 net of issue costs. Each unit consisted of one common share and one non-transferable share purchase to purchase one additional common share at \$3.00 per share until February 14, 1998. The proceeds of the financing of \$2,500,000 were allocated \$2,178,761 as to the common shares and \$321,239 as to the warrants. During 1998 100,000 of the warrants were exercised and 900,000 expired. In connection with this private placement, the Company's agent received a selling commission of 7.5% of the proceeds of the units sold or \$0.1875 per unit and a corporate finance fee of \$15,000.
  - (iv) During 1997, the Company issued 750,000 common shares as performance shares for proceeds of \$7,500 that were held in escrow in accordance with the rules of the regulatory authorities of British Columbia. The shares were released 25% in each of 1998, 1999, 2000 and 2001.
  - (v) During 1997, pursuant to an equity participation agreement to acquire an interest in Gemstone Mining Inc. ("Gemstone"), a Utah Corporation that by agreement the creditors of Gemstone were issued 1,000,000 units of the Company on conversion of a debt of \$2,065,500 (US\$1,500,000). Each unit consisted of one common share and one non-transferable share purchase to purchase one additional common share at US\$2.00 per share that was immediately exercised for proceeds of \$2,803,205 (US\$2,000,000). The first one-third tranche of a conditional finders' fee was satisfied by the issue of 150,000 common shares in connection with the acquisition of Gemstone.
  - (vi) During 1998, the Company issued 100,000 common shares pursuant to the exercise of share purchase warrants for proceeds of \$300,000.
  - (vii) During 1998, the Company issued 200,000 common shares in connection with the acquisition of Gemstone as well as the second tranche of finder's fee in connection with that acquisition. The Company's option to acquire Gemstone expired on January 31, 1998 and the remaining one-third tranche were not issued.
  - (viii) During 1999, the Company consolidated its issued share capital on a two old for one new basis and changed its name from Neary Resources Corporation to Red Emerald Resource Corp.
  - (ix) During 2002, the Company issued 3,500,000 units at \$0.25 per unit for proceeds of \$875,000 by way of a short form offering document under the policies of the TSX Venture Exchange. Each unit consists of one common share and one common share purchase warrant that entitled the holder to purchase one additional common share at \$0.25 per share until October 19, 2002. The Company also issued 150,000 common shares as a finance fee in connection with this offering, and issued the agent 875,000 share purchase warrants exercisable at \$0.25 per share until April 19, 2004. During 2002 the Company issued 1,134,500 special warrants at \$1.25 per special warrant for proceeds of \$1,418,125. Each Special Warrant automatically converted to a unit comprising one common share and one share purchase warrant that entitled the holder to purchase one additional common share at \$1.55 per share until November 6, 2003. The proceeds of the financing of \$1,418,125 were allocated on a relative fair value basis as \$1,171,286 to common shares and \$246,839 as to the warrants. During 2003 all of the warrants expired unexercised. In connection with the offering the Company paid the agent a 10% commission totaling \$113,450, issued the agent 40,000 common shares as a finance fee in connection with this offering, and issued the agent 170,175 share purchase warrant exercisable at \$1.55 per share until July 5, 2003.
  - (x) During 2002, the Company issued 4,028,000 common shares pursuant to the exercise of share purchase warrants for proceeds of \$1,007,000.
  - (xi) During 2002, the Company issued 32,000 common shares pursuant to the exercise of stock options for proceeds of \$12,800.
  - (xii) During 2002, the Company issued 31,250 common shares as additional consideration to a director who loaned the Company \$780,000 bearing interest at 12% per annum. The loan and interest was repaid prior to December 31, 2002.

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- (xiii) During 2002, the Company acquired Rex Exploration Corp. ("Rex") in exchange for 4,500,000 common shares of the Company.
- (xiv) During 2003, the Company issued 700,000 units at \$1.20 per unit for proceeds of \$840,000 by way of a non-brokered private placement. Each unit consists of one common share and one share purchase warrant that entitled the holder to purchase one additional common share at \$1.50 until May 25, 2004. The proceeds of the financing of \$840,000 were allocated \$638,838 as to common shares and \$201,162 as to the warrants. During 2004 161,000 of the warrants were exercised and 539,000 expired. Share issue expenses were \$19,932.
- (xv) During 2003, the Company issued 294,500 common shares pursuant to the exercise of share purchase warrants for proceeds of \$73,625.
- (xvi) In January 2004, the Company issued 400,000 units at \$2.00 per unit for proceeds of \$800,000 by way of a private placement. Each unit consisted of one common share and one non-transferable share purchase warrant that entitled the holder to purchase one additional common share at \$2.35 per share for a six month period. The proceeds of the financing of \$800,000 were allocated on a relative fair value basis as \$624,593 to common shares and \$175,407 as to the warrants. All of the warrants expired unexercised in 2004. The Company issued 40,000 common shares as a finder's fee for this private placement.
- (xvii) In August 2004, the Company issued 1,020,000 units at \$0.75 per unit for proceeds of \$765,000 by way of a private placement. Each unit consisted of one common share and one non-transferable share purchase warrant that entitled the holder to purchase one additional common share at \$0.80 per share until August 25, 2005. All of the warrants were subsequently exercised. The Company issued 55,650 common shares as a finder's fee for this private placement.
- (xviii) In December 2004, the Company issued 700,000 units at \$0.85 per unit for proceeds of \$595,000 by way of a private placement. Each unit consisted of one common share and one non-transferable share purchase warrant that entitled the holder to purchase one additional common share at \$1.00 per share until December 20, 2005. All of the warrants were subsequently exercised. The Company issued 18,750 common shares as a finder's fee for this private placement.
- (xix) In February 2005, the Company issued 2,500,000 units at \$0.85 per unit for proceeds of \$2,125,000 by way of a private placement. Each unit consisted of one common share and one non-transferable share purchase warrant that entitled the holder to purchase one additional common share at \$1.00 per share until February 16, 2006. The proceeds of the financing of \$2,125,000 were allocated on a relative fair value basis as \$1,598,457 to common shares and \$526,543 as to warrants. There were 23,000 warrants exercised in fiscal year 2005 and the balance exercised in fiscal year 2006. The Company issued 75,800 common shares for \$64,430 and paid \$69,700 in cash as a finder's fee and incurred \$26,709 in additional issue costs for this private placement.
- (xx) In July 2005, the Company issued 1,000,000 units at \$1.15 per unit for proceeds of \$1,150,000 by way of a private placement. Each unit consisted of one common share and one-half non-transferable share purchase warrant that entitled the holder to purchase one additional common share at \$1.15 per share until July 27, 2006. The proceeds of the financing of \$1,150,000 were allocated on a relative fair value basis as \$995,193 to common shares and \$154,807 as to warrants. All of the warrants were exercised in fiscal year 2006. The Company incurred \$15,560 in issue costs.
- (xxi) In August 2005, the Company issued 500,000 units at \$1.40 per unit for proceeds of \$700,000 by way of a private placement. Each unit consisted of one common share and one-half nontransferable share purchase warrant that entitled the holder to purchase one additional common share at \$1.45 per share until August 22, 2006. The proceeds of the financing of \$700,000 were allocated on a relative fair value basis as \$608,015 to common shares and \$91,985 as to warrants. All of the warrants were exercised in fiscal year 2006. The Company incurred \$8,261 in issue costs.
- (xxii) In January 2006, the Company issued 40,000 common shares at a value of \$88,000 pursuant to a purchase and sale agreement to purchase mining claims for the Spring Valley project.
- (xxiii) In May 2006, the Company issued 3,725,000 units at \$1.80 per unit for proceeds of \$6,705,000 by way of a private placement. Each unit consisted of one common share and one-half nontransferable share

- purchase warrant. Each whole warrant entitled the holder to purchase one additional common share at \$2.70 per share until May 16, 2007. The proceeds of the financing of \$6,705,000 were allocated on a relative fair value basis as \$5,998,846 to common shares and \$706,154 as to warrants. The Company incurred \$65,216 in issue costs. By May 16, 2007 1,725,000 of the warrants were exercised and 137,500 expired unexercised.
- (xxiv) In November 2006, the Company issued 2,000,000 units at \$2.50 per unit for proceeds of \$5,000,000 by way of a private placement. Each unit consisted of one common share and one-half nontransferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at \$3.00 per share until November 10, 2007. The proceeds of the financing of \$2,000,000 were allocated on a relative fair value basis as \$1,761,509 to common shares and \$238,491 as to warrants. The Company paid \$88,750 in finders' fees and incurred \$94,546 in issue costs for this private placement. By November 10, 2007 908,782 of the warrants were exercised and 91,218 expired unexercised.
- (xxv) On April 16, 2007, the Company issued 7,764,109 common shares at a value of \$25,000,431, 308,000 stock options at a value of \$608,020 and 870,323 share purchase warrants at a value of \$1,420,054 in connection with the acquisition of Pan-Nevada Gold Corporation. By December 31, 2007, 154,000 of the stock options had been exercised and 761,823 share purchase warrants had been exercised.
- (xxvi) On August 24, 2007, the Company issued 2,000,000 common shares at \$2.70 per common share for proceeds of \$5,400,000 by way of a private placement. The Company incurred \$28,000 in share issue costs.
- (xxvii) On March 31, 2008, the Company issued 30,000 common shares at a value of \$88,500 pursuant to a lease assignment of mining claims for the Gold Rock project. The Company incurred \$1,489 in share issue costs.
- (xxviii) On June 12, 2008, the Company issued 1,421,500 common shares at \$2.00 per common share for proceeds of \$2,843,000 by way of a private placement. The Company incurred \$75,371 in share issue costs.
- (c) Stock options:

The Company has an incentive share option plan (the "Plan") that allows it to grant incentive stock options to its officers, directors, employees and consultants. The Plan was amended on May 12, 2008 to add an appendix called the 2008 Stock Incentive Plan for United States Resident Employees (the "U.S. Plan") to supplement and be a part of the Plan. The purpose of the U.S. Plan is to enable the Company to grant Incentive Stock Options, as that term is used in Section 422 of the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder to qualifying employees who are citizens or residents of the United States of America. This does not change the aggregate number of options that can be granted pursuant to the Plan. The purpose of the Plan permits the Company's directors to grant incentive stock options for the purchase of shares of the Company to persons in consideration for services. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual (maximum of 2% to any consultant). The exercise price of stock options is determined by the board of directors of the Company at the time of grant and may not be less than the closing price of the Company's shares on the trading day immediately preceding the date on which the option is granted and publicly announced, less an applicable discount, and may not otherwise be less than \$0.10 per share. Options have a maximum term of ten years and terminate 90 days following the termination of the optionee's employment, except in the case of death or disability, in which case they terminate one year after the event.

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Expiry date	Exercise price per share	Balance December 31, 2007	Granted	Exercised	Cancelled	Balance June 30, 2008	Intrinsic Value
February 11, 2008	\$1.43	84,000	-	(84,000)	-	-	\$ -
September 5, 2008	\$1.24	100,000	-	-	-	100,000	76,000
October 11, 2008	\$1.07	70,000	-	-	-	70,000	65,100
September 14, 2009	\$0.80	242,500	-	(20,000)	-	222,500	267,000
February 4, 2010	\$0.85	80,000	-	-	-	80,000	92,000
June 24, 2010	\$1.30	500,000	-	-	-	500,000	350,000
March 9, 2011	\$2.00	100,000	-	(25,000)	-	75,000	-
March 22, 2011	\$2.00	100,000	-	-	-	100,000	-
May 4, 2011	\$2.00	30,000	-	-	-	30,000	-
June 11, 2011	\$2.53	385,000	-	(75,000)	-	310,000	-
August 30, 2011	\$2.63	40,000	-	-	-	40,000	-
November 30, 2011	\$2.70	140,000	-	-	-	140,000	-
January 23, 2012	\$3.00	25,000	-	-	-	25,000	-
March 7, 2012	\$2.93	100,000	-	-	-	100,000	-
April 26, 2012	\$3.20	200,000	-	-	-	200,000	-
July 31, 2012	\$2.71	975,000	-	-	(50,000)	925,000	-
October 30, 2012	\$3.36	100,000	-	-	-	100,000	-
November 16, 2012	\$3.25	40,000	-	-	-	40,000	-
December 6, 2012	\$3.32	15,000	-	-	-	15,000	-
April 13, 2014	\$2.04	400,000	-	-	-	400,000	-
May 12, 2013	\$2.00	-	50,000	-	-	50,000	-
May 23, 2013	\$2.00	-	75,000	-	-	75,000	-
		3,726,500	125,000	(204,000)	(50,000)	3,597,500	\$ 850,100
Weighted average exercise price		\$2.18	\$2.00	\$1.84	\$2.71	\$2.19	

At June 30, 2008, all but 553,333 of the 3,597,500 stock options were exercisable.

The intrinsic value of stock options outstanding at June 30, 2008 relates to vested options. Intrinsic value for vested stock options is calculated on the difference between the exercise prices of the underlying options and the quoted price of \$2.00 for our common stock as of June 30, 2008.

The Company recorded stock-based compensation expense of \$334,476 in the six months ended June 30, 2008 for options vesting in that period of which \$172,267 was included in salaries and benefits in the statement of operations and \$162,209 was included in salaries and labour in the schedule of mineral exploration expenditures.

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(d) Share purchase warrants:

The continuity of share purchase warrants is as follows:

Expiry date	Exercise price per share	Balance December 31, 2007	Issued	Exercised	Expired	Balance June 30, 2008
May 23, 2008	\$1.43	108,500	-	(108,500)	-	-
		108,500	-	(108,500)	-	-

**7. Related party transactions:**

- (a) During the six-months ended June 30, 2008 \$45,000 (2007 - \$45,000) was paid for office facilities and administrative services to a company with an officer in common.
- (b) Recovery of office costs from a company managed by common directors and officers \$2,513 (2007 - \$8,875).
- (c) During the six-months ended June 30, 2008 the Company issued a director 30,000 common shares pursuant to a mineral property agreement described in note 5(e).

Included in accounts payable and accrued liabilities at June 30, 2008 is \$41,788 (June 30, 2007 \$631) payable to the companies referred to in this note and other directors and officers.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**8. Contingency:**

In May 2006, the Company's wholly-owned Nevada subsidiary MGC Resources Inc. ("MGC") purchased additional property (the "Seymork Parcel") from Seymork Investments Ltd. ("Seymork") for US\$200,000 to expand the Spring Valley project in Nevada. The Seymork Parcel represents about 4% of the surface area of the Spring Valley project. In 1998, the transfer of Emma Wagner's ("Wagner") interest in the Seymork Parcel to Seymork, as well as a transfer of the interest held by Wagner's deceased husband's estate to Seymork, was formally approved by a Nevada court. As part of the consideration for the court-approved transaction, Seymork executed two promissory notes, one in favor of Wagner and one in favor of the estate of Wagner's deceased husband. Two deeds of trust relating to the Seymork Parcel were also executed and recorded to secure payment of the promissory notes. Both notes were later assigned to a group represented by Wallace D. Stephens (collectively "Stephens"). The promissory notes were not repaid and, in March 2006, Stephens sought to foreclose its interest against Seymork. In June 2006, Wagner brought a cross claim in the lawsuit against Seymork alleging that Wagner was the rightful owner of the Disputed Property, and claiming that the conveyance to Seymork was not a sale but that Seymork had agreed to hold the Seymork Parcel in trust for Wagner. MGC joined the lawsuit in order to protect its interests in the Seymork Parcel. On June 11, 2008 a Nevada court settled the long standing title dispute to this ground validating the Company's claim to the Seymork Parcel. The settlement allowed the Company to purchase the two promissory notes secured against the property for approximately US\$598,000. This amount has been included in accounts payable and accrued liabilities at June 30, 2008 and was paid in early July 2008 (note 5(b)).

**9. Subsequent events**

Subsequent to June 30, 2008, the Company:

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- a) On July 16, 2008, the Company's board of directors granted 215,000 stock options to certain US resident employees at an exercise price of \$2.00 and a five-year term with normal vesting provisions.
- b) On July 21, 2008, the Company issued 275,000 shares pursuant to the exercise of stock options for proceeds of \$357,500.
- c) On July 17, 2008, the Company and Golden Predator Mines Inc. ("Golden Predator") jointly announced that the two companies have entered into a term sheet (the "Term Sheet") describing the principal terms of a business combination between the two companies. Pursuant to the Term Sheet, Golden Predator shareholders would receive one common share of the Company for each common share of Golden Predator held by them. Outstanding options, warrants and convertible securities of Golden Predator would, subject to the final transaction terms, be converted into or exchanged for corresponding securities of the Company. Upon closing, the Company will change its name to "Golden Predator Mines Inc."

The Term Sheet contemplates, subject to regulatory approval and requirements, a dividend being declared and paid to the Company's shareholders immediately prior to closing of the business combination. The dividend would consist of one transferable warrant (the "Dividend Warrant") for each outstanding share the Company on the record date of the dividend. Each Dividend Warrant would entitle the holder thereof on exercise to acquire an additional share of the Company at a price of \$2.05 for a period of 18 months from issuance.

Additionally, the Term Sheet contemplates that, prior to completion of the business combination between the Company and Golden Predator, 80.1% of the shares of the Company's wholly-owned subsidiary that holds the Golden Eagle property interests ("Spin-co.") will be spun-off to the Company's current shareholders. The combined company from the business combination will hold the remaining 19.9% of the shares of Spin-co.

The spin-off is subject to approval of the final terms by the board of directors of each of Golden Predator and the Company, as well as regulatory, stock exchange, shareholder and court approvals and compliance with applicable securities laws.

The Term Sheet contemplates that the business combination would be completed by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia). The final structure of the business combination, however, will be based upon a review of the tax and securities implications of the transaction. Upon completion of the transaction shareholders of Golden Predator will hold approximately 53% of the issued and outstanding shares of the resulting company, prior to the exercise of outstanding warrants and options.

Golden Predator will have the right to appoint four members to the board of directors of the resulting company, and Midway will have the right to retain three directors of one of whom will be William M. Sheriff, a current director of both Midway and Golden Predator. In addition, the employees of both Midway and Golden Predator will be offered continuing positions with the resulting company, subject to review. William M. Sheriff will be the CEO and Chairman of the Board; Steve Vanry is expected to become the company's President following a successful completion of the previously announced business combination of Golden Predator and Fury Explorations Ltd. Alan Branham will serve as the President of the Company's US subsidiary as well as a Vice President of Golden Predator Mines (US). Christine Thomson will continue as the resulting company's Corporate Secretary and Larry Yau will be the resulting company's CFO.

Pursuant the Term Sheet, Golden Predator has agreed to provide a loan facility of \$5 million to the Company, which the Company may draw upon in installments of \$1 million. The loan proceeds will be applied by the Company towards the development of its Pan and Midway projects and other permitted uses. The loan will be for a term of 12 months and will bear interest at prime plus 2%.

The Term Sheet contemplates that the parties will agree to a break-fee of \$2.5 million, payable by either party in specified circumstances. In addition, the directors and officers of each of Golden Predator and the Company will be asked to enter into agreements to vote their shares in favour of the transaction at any meeting of shareholders of either party held for that purpose.

Completion of the transaction will be subject to receipt of a favourable fairness opinion, completion of due diligence investigations, the parties entering into a definitive agreement, securities law compliance and obtaining all necessary court, regulatory, stock exchange, board and shareholder approvals.

- d) On August 1, 2008 the Company issued 600,000 common shares at US\$2.50 per common share for proceeds of US\$1,500,000 by way of a private placement to Kinross Gold USA Inc.; purchased a 75% interest in the Golden Eagle, Washington, project from Kinross Gold USA Inc. at a cost of US\$1,500,000 and purchased a 25% interest in the Golden Eagle project from Hecla Limited at a cost of US\$483,333.

An exploration agreement has been executed between the Company's wholly owned subsidiary, MGC Resources Inc. and Kinross Gold U.S.A. Inc. with an effective date of August 1, 2008 on the Company's Thunder Mountain project. To maintain its option to joint venture Kinross must expend \$500,000 before the 2<sup>nd</sup> anniversary, \$500,000 before the 3<sup>rd</sup> anniversary, \$1,000,000 before the 4<sup>th</sup> anniversary and a total of \$3,000,000 before the 5<sup>th</sup> anniversary at which time the parties can enter into a standard form joint venture agreement whereby Kinross will hold a 75% interest and Midway a 25% interest.

Midway completed the acquisition of the Golden Eagle property through a wholly-owned subsidiary created to hold the property ("Spin-co").

Pursuant to the Term Sheet between the Company and Golden Predator it is contemplated that prior to completion of the business combination between the Company and Golden Predator Spin-co. will be spun-off by the distribution of 80.1% of the shares of Spin-co to the Company's current shareholders. The combined company from the business combination will hold the remaining 19.9% of the shares of Spin-co.

The spin-off is subject to approval of the final terms by the board of directors of each of Golden Predator and the Company, as well as regulatory, stock exchange, shareholder and court approvals and compliance with applicable securities laws.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this Quarterly Report filed on Form 10-Q. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under "Risk Factors and Uncertainties" and elsewhere in this report.*

This discussion and analysis should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes. The discussion and analysis of the financial condition and results of operations are based upon the unaudited interim consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Midway to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis Midway reviews its estimates and assumptions. The estimates were based on historical experience and other assumptions that Midway believes to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but Midway does not believe such differences will materially affect our financial position or results of operations. Critical accounting policies, the policies Midway believes are most important to the presentation of its financial statements and require the most difficult, subjective and complex judgments, are outlined below in "Critical Accounting Policies," and have not changed significantly.

In addition, certain statements made in this report may constitute "forward-looking statements". These forward-looking statements involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of Midway to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Except for historical information, the matters set forth herein, which are forward-looking statements, involve certain risks and uncertainties that could cause actual results to differ. Potential risks and uncertainties include, but are not limited to, unexpected changes in business and economic conditions; significant increases or decreases in gold prices; changes in interest and currency exchange rates; unanticipated grade changes; metallurgy, processing, access, availability of materials, equipment, supplies and water; determination of reserves; results of current and future exploration activities; results of pending and future feasibility studies; joint venture relationships; political or economic instability, either globally or in the countries in which we operate; local and community impacts and issues; timing of receipt of government approvals; accidents and labor disputes; environmental costs and risks; competitive factors, including competition for property acquisitions; and availability of external financing at reasonable rates or at all. Forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continues" or the negative of these terms or other comparable terminology. Although Midway believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements.

### **Overview**

#### **Company Overview**

Midway is a precious metals exploration company focused on the creation of value for shareholders by exploring and developing quality precious metal resources in stable mining areas.

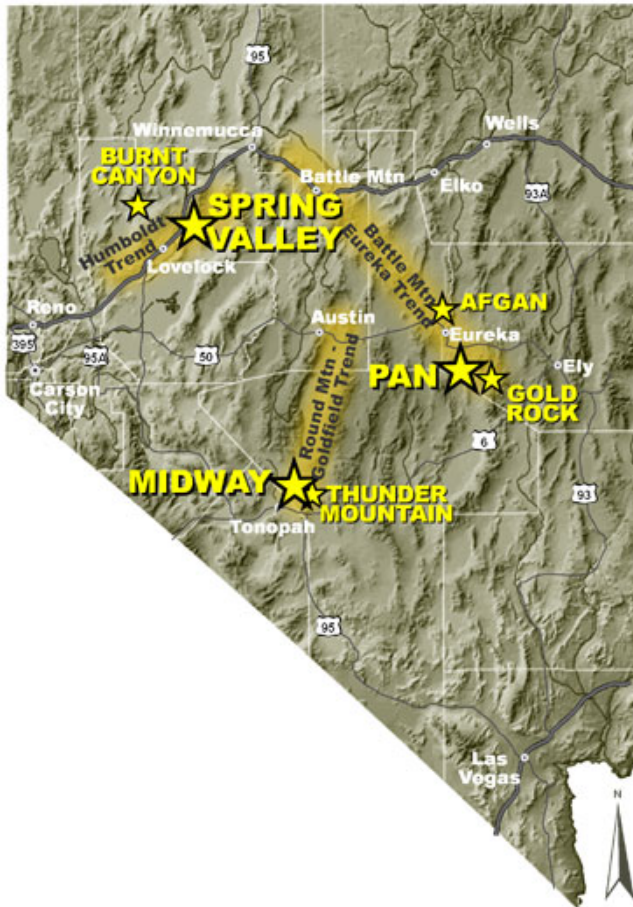
Midway's Canadian corporate office is in White Rock, B.C.

Midway operates from an office in Helena, Montana. In addition, the Company has three field offices in Lovelock, Tonopah, and Eureka, Nevada. These offices support the Spring Valley, Midway and Pan Projects, respectively. These offices also support work on four other exploration projects, located on three of the major Nevada gold trends.

Midway currently controls over 69 square miles (157 sq. km) of mineral rights on the Battle Mountain-Eureka, Humboldt and Round Mountain Trends.

Midway have three advanced exploration projects: the Spring Valley, the Pan and the Midway projects, and five earlier stage exploration targets. These early stage exploration projects include Gold Rock, Afgan, Burnt Canyon, Golden Eagle, and Thunder Mountain.

The map below shows the location of Midway's properties located in Nevada, USA. Activities on these properties in the second quarter ended June 30, 2008 and up to August 1, 2008, the date of this Quarterly Report filed on Form 10Q are described in further detail below.



### Qualified Person

Don Harris, a Qualified Person, as that term is defined in NI 43-101 is the person responsible for review and verification of the technical information contained in this MD&A.

### **Highlights for the second quarter 2008:**

- Term sheet executed with Golden Predator Mines Inc. on July 17, 2008 for a proposed business combination with Midway .
- Golden Eagle property in Ferry County, Washington acquired from Kinross and Hecla on August 1, 2008.
- A high grade gold zone measuring approximately 600 feet by 30 feet was identified at Pan. Results include PN08-07, containing 20 feet of 0.230 ounces per ton (opt) gold within 60 feet of 0.087 opt gold and a second hole, PN08-6, which intersected 15 feet of 0.107 opt gold. High grade has now been encountered in 4 reverse circulation holes, along a north south trend.
- Geotechnical drilling at the Midway project encountered 6.2 feet of 3.6 opt gold in the Nimitz Vein and 1.1 feet of 2.5 opt gold within the Midway Vein. Additionally, the drilling encountered four new intercepts that may represent a new set of veins east of the Discovery Zone.
- Spring Valley drilling encountered a new zone of mineralization along the south-western side of the North Hill Zone. Significant intercepts include 135 feet of 0.086 opt gold and 90 feet of 0.051 opt gold, which has identified a new zone approximately 1,000 feet long, 200-400 feet wide, and 60-180 feet thick. These, along with significant intercepts at Valley Breccia, including 75 feet of 0.119 opt gold, 140 feet of 0.021 opt gold, and 80 feet of 0.031 opt gold in three separate holes, will be utilized in the next resource evaluation at Spring Valley.
- The Thunder Mountain Property was optioned to Kinross Gold Corporation in July 2008, for a combined \$3 million earn in.

### **Golden Predator Mines Inc. and Midway Gold Corp. proposed business combination**

On July 17, 2008, the Company and Golden Predator Mines Inc. (“Golden Predator”) jointly announced that the two companies have entered into a term sheet (the “Term Sheet”) describing the principal terms of a business combination between the two companies. Pursuant to the Term Sheet, Golden Predator shareholders would receive one common share of the Company for each common share of Golden Predator held by them. Outstanding options, warrants and convertible securities of Golden Predator would, subject to the final transaction terms, be converted into or exchanged for corresponding securities of the Company. Upon closing, the Company will change its name to “Golden Predator Mines Inc.”

The Term Sheet contemplates, subject to regulatory approval and requirements, a dividend being declared and paid to the Company’s shareholders immediately prior to closing of the business combination. The dividend would consist of one transferable warrant (the “Dividend Warrant”) for each outstanding share the Company on the record date of the dividend. Each Dividend Warrant would entitle the holder thereof on exercise to acquire an additional share of the Company at a price of \$2.05 for a period of 18 months from issuance.

Additionally, the Term Sheet contemplates that, prior to completion of the business combination between the Company and Golden Predator, 80.1% of the shares of the Company’s wholly-owned subsidiary that holds the Golden Eagle property interests (“Spin-co.”) will be spun-off to the Company’s current shareholders. The combined company from the business combination will hold the remaining 19.9% of the shares of Spin-co.

The spin-off is subject to approval of the final terms by the board of directors of each of Golden Predator and the Company, as well as regulatory, stock exchange, shareholder and court approvals and compliance with applicable securities laws.

The Term Sheet contemplates that the business combination would be completed by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia). The final structure of the business combination, however, will be based upon a review of the tax and securities implications of the transaction. Upon completion of the transaction shareholders of Golden Predator will hold approximately 53% of the issued and outstanding shares of the resulting company, prior to the exercise of outstanding warrants and options.

Golden Predator will have the right to appoint four members to the board of directors of the resulting company, and Midway will have the right to retain three directors of one of whom will be William M. Sheriff, a current director of both Midway and Golden Predator. In addition, the employees of both Midway and Golden Predator will be offered continuing positions with the resulting company, subject to review. William M. Sheriff will be the CEO and Chairman of the Board; Steve Vanry is expected to become the company's President following a successful completion of the previously announced business combination of Golden Predator and Fury Explorations Ltd. Alan Branham will serve as the President of the Company's US subsidiary as well as a Vice President of Golden Predator Mines (US). Christine Thomson will continue as the resulting company's Corporate Secretary and Larry Yau will be the resulting company's CFO.

Pursuant the Term Sheet, Golden Predator has agreed to provide a loan facility of \$5 million to the Company, which the Company may draw upon in instalments of \$1 million. The loan proceeds will be applied by the Company towards the development of its Pan and Midway projects and other permitted uses. The loan will be for a term of 12 months and will bear interest at prime plus 2%.

The Term Sheet contemplates that the parties will agree to a break-fee of \$2.5 million, payable by either party in specified circumstances. In addition, the directors and officers of each of Golden Predator and the Company will be asked to enter into agreements to vote their shares in favour of the transaction at any meeting of shareholders of either party held for that purpose.

Completion of the transaction will be subject to receipt of a favourable fairness opinion, completion of due diligence investigations, the parties entering into a definitive agreement, securities law compliance and obtaining all necessary court, regulatory, stock exchange, board and shareholder approvals.

See Midway press release, July 17, 2008 at [www.midwaygold.com](http://www.midwaygold.com)

## **Republic District, Washington**

### **Golden Eagle project, Ferry County, Washington**

On August 1, 2008 Midway issued 600,000 common shares to Kinross Gold USA Inc. ("Kinross") for proceeds of US\$1,500,000 subject to a six-month hold period.

On May 28, 2008 Midway entered into a letter of intent to acquire a 75% interest in the Golden Eagle property from a subsidiary of Kinross for US\$1,500,000. Kinross retained a 2% net smelter returns royalty and was granted a first right of refusal to toll mill ore from the Golden Eagle property at their Kettle River Mill. Midway subsequently entered into a letter of intent to acquire Hecla Limited's ("Hecla") 25% interest in the property for a cash payment of US\$483,333. Both Kinross and Hecla declined their pre-emptive rights against each other's interests and the transactions closed on August 1, 2008.

Midway completed the acquisition of the Golden Eagle property through a newly created wholly-owned subsidiary to hold the property ("Spin-co").

Golden Predator Mines Inc. and Midway have contemplated in the term sheet announced on July 17, 2008 that, prior to completion of the business combination between them, 80.1% of the shares of Spin-Co will be spun-off to current Midway shareholders. The resulting combined company from the business combination will hold the remaining 19.9% of the shares of Spin-co.

The spin-off is subject to approval of the final terms by the board of directors of each of Golden Predator and Midway, as well as regulatory, stock exchange, shareholder and court approvals and compliance with applicable securities laws.

Hecla operated the nearby Knob Hill Mine, near Republic, Washington which produced over 2 million ounces of gold before closing. Santa Fe Gold calculated a historic resource for the 211 acres of private land comprising the

Golden Eagle property of 32,191,280 tons grading 0.069 ounce gold per standard ton in 1996. *A qualified person has not reviewed this resource and the historical estimate should not be relied upon.*

## **Midway's Nevada Properties**

### Humboldt Gold Trend

#### **Spring Valley Property, Pershing County, Nevada**

The Spring Valley project is located 20 miles northeast of Lovelock and approximately 3 miles north of the Couer Rochester Open Pit Mine. Spring Valley is a diatreme/porphyry hosted gold system, and located on the Humboldt Gold Trend. Drilling since 2003 has identified a gold deposit that is approximately 3,500 feet long, 3,500 feet wide, and tested to a depth of 1,400 feet. The mineralization remains open to the northeast, southwest, and at depth. Midway has controlled the property since 2003 through direct ownership of claims and through mining leases.

In January 2008, an updated resource was completed on the Spring Valley Project. The total inferred resource, estimated by AMEC was 50 million short tons at a grade of 0.0196 opt gold. The gold price at the time of estimating the resource was \$650 per ounce. AMEC'S report, compliant with Canada's NI 43-101, entitled "Technical Report Spring Valley Property, Pershing County, Nevada" was filed on the Company's profile on SEDAR. See Midway's press release January 23, 2008 at [www.midwaygold.com](http://www.midwaygold.com).

Drilling for 2008 started in February 2008, and through the end of the second quarter 81 reverse circulation holes (58,985 feet) and 3 diamond core tails (4,627) were completed. Results have been released on 45 holes drilled at North Hill, West Diatreme, and Valley Breccia. In the North Hill target assay results include multiple intercepts in drill hole SV08-413 which hit 5 feet of 0.983 opt gold within 135 feet of 0.086 opt gold followed by 5 feet of 0.866 opt gold within 60 feet of 0.087 opt gold and a third intercept of 55 feet of 0.042 opt gold. This mineralization is contiguous with intercepts of 90 feet of 0.051 opt gold in SV08-384 and 115 feet of 0.021 opt gold in SV08-379. Drilling at the Valley Breccia yielded significant gold intercepts including 5 feet of 1.114 opt gold within 75 feet of 0.119 opt gold in SV08-417, 140 feet of 0.021 opt gold in SV08-403, and 80 feet of 0.031 opt gold in SV08-410. The focus of drilling at North Hill, West Diatreme, and Valley Breccia is to potentially expand the overall Spring Valley resource, by capturing material in the zone between West Diatreme and Pond Zone, and additional deeper mineralization at North Hill and Deep Porphyry. See Midway Press Release June 23, 2008 and July 8, 2008 at [www.midwaygold.com](http://www.midwaygold.com)

Midway utilized three reverse circulation drill rigs and one core rig at Spring Valley during the quarter, and to drill an estimated 90,000 feet during 2008. This includes infill, step-out, and exploration drilling of four outlying targets identified in 2007. Exploration drilling started in May, with drill testing at the Fitting target to the east of Spring Valley and Limerick Basin to the south. Exploration results are currently pending.

In May 2006, Midway's wholly-owned Nevada subsidiary MGC Properties Inc. ("MGC") purchased additional property (the "Disputed Property") from Seymork Investments Ltd. ("Seymork") for US\$200,000 to expand the Spring Valley project in Nevada. The Disputed Property represents about 4% of the surface area of the Spring Valley project. In 1998, the transfer of Emma Wagner's ("Wagner") interest in the Disputed Property to Seymork, as well as a transfer of the interest held by Wagner's deceased husband's estate to Seymork, was formally approved by a Nevada court. As part of the consideration for the court-approved transaction, Seymork executed two promissory notes, one in favor of Wagner and one in favor of the estate of Wagner's deceased husband. Two deeds of trust relating to the Disputed Property were also executed and recorded to secure payment of the promissory notes. Both notes were later assigned to a group represented by Wallace D. Stephens (collectively "Stephens"). The promissory notes were not repaid and, in March 2006, Stephens sought to foreclose its interest against Seymork. In June 2006, Wagner brought a cross claim in the lawsuit against Seymork alleging that Wagner was the rightful owner of the Disputed Property, and claiming that the conveyance to Seymork was not a sale but that Seymork had agreed to hold the Disputed Property in trust for Wagner. MGC joined the lawsuit in order to protect its interests in the Disputed Property.

On June 5, 2008, the Nevada court entered an order validating Midway's claim to the Disputed Property and directing MGC to negotiate a settlement of the Stephens promissory notes.

On June 25, 2008, MGC entered into an assignment agreement with Martin H. Webster, Donald H. Jones, Michael C. Agran, Virginia Genest, Wallace Stephens, and Sandra Newmark (the "Assignors") whereby MGC agreed to pay US\$596,833.97 (plus the payment of additional accrued interest at the rate of \$78.21 per day from June 25, 2008 until the date of payment) for the assignment, without warranty or recourse, of: (a) the two promissory notes relating to the Disputed Property held by the Assignors, (b) all of the Assignors' rights, title and interest in and to the two trust deeds relating to the disputed property held by the Assignors, (c) all of Assignors' rights, claims and causes of action in the above-described lawsuit, including but not limited to those set forth in the recently filed amended complaint in such lawsuit and the rights and benefits of the June 5, 2008 order, including causes of action for foreclosure.

See Midway press release, July 11, 2008 at [www.midwaygold.com](http://www.midwaygold.com)

### **Burnt Canyon, Pershing County, Nevada**

Midway's Burnt Canyon project is a volcanic hosted gold exploration target located between the historic Seven Troughs high grade gold district and the Wildcat gold resource (Allied Nevada). The property was acquired in late 2007 and has exploration targets identified for high grade gold veins and low grade disseminated gold in altered tuffs. Soil, gravity, and ground magnetic surveys were completed in early January and the results have identified target areas for follow up geologic sampling, mapping, and potential drill targeting.

### Round Mountain-Gold Field Gold Trend

### **Midway Property, Nye County, Nevada**

The Midway project is located 15 miles north east of Tonopah. The Midway project is a high-grade epithermal quartz-adularia gold system, hosted in Tertiary volcanic rocks, in the prolific Round Mountain-Goldfield gold trend. Twelve high grade gold adularia veins have been delineated in the Discovery and Dauntless Zones, to a sufficient degree to warrant taking an underground bulk sample from an underground decline. In the first quarter of 2008, Midway submitted a Plan of Operations to the Bureau of Land Management and Nevada Division of Environmental Protection for an underground exploration decline at Midway. The veins vary from 3 to 22 feet in width, and have been delineated approximately 400 to 600 feet along strike and 250 to 300 feet down dip. The better defined veins average in grade from 0.3 to over 1.2 opt gold. An additional 58 partially defined high grade veins with intercepts over 0.15 opt gold have been noted in the previous exploration drilling and will require additional development drilling. Midway has controlled the property since 2001 through direct ownership of claims and through mining leases.

Drilling for 2008 started in January and 12 reverse circulation (1,234 ft) and 9 core holes (2,321 feet) were completed by June 30, 2008. We had no rigs active at Midway during the second quarter.

Results from earlier geotechnical drilling conducted on the Midway, Rochefort, Spruance, and Nimitz vein were released in May 2008. These core holes were completed for geotechnical testing in proposed stope and mining areas for mine planning purposes. Results confirmed the placement of major vein sets, including 6.2 feet of 3.6 opt gold in the Nimitz Vein and 1.1 feet of 2.5 opt gold within the Midway Vein. Additionally, the drilling encountered four new intercepts that may represent a new set of veins east of the Discovery Zone.

See Midway press release, May 14, 2008 at [www.midwaygold.com](http://www.midwaygold.com)

### **Thunder Mountain Project, Nye County, Nevada**

Thunder Mountain is a gold and silver rich epithermal vein and disseminated system hosted in rhyolite tuffs and flow dome complexes located six miles southeast of the Midway project. Adularia alteration has affected rhyolite tuff units over the three square mile project area. Recent drilling has intercepted higher grade gold in silicified breccias hosted rhyolite tuff containing 70 feet of 0.105 opt gold beginning at a 55 foot depth and 40 feet of 0.135 opt gold at 70 foot depth along with other reported intercepts.

In early July, Kinross Gold Corporation entered into an exploration and option to joint venture agreement, by which they can earn a 75% interest in Thunder Mountain. Kinross must spend a minimum of \$500,000 by August 1, 2010, and \$3 million over a five year period. Upon completion of the earn-in standard joint venture terms will apply.

See Midway press release, October 18, 2007, May 1, 2008 and July 16, 2008 at [www.midwaygold.com](http://www.midwaygold.com)

#### Battle Mountain-Eureka Trend

##### **Pan Project, White Pine County, Nevada**

The Pan project is located on the south end of the Battle Mountain-Eureka gold trend in central Nevada. The project hosts Carlin-style disseminated oxide gold deposits over a two mile strike length of the Pan fault. Midway controls 100% of over 15 square miles of mineral rights around the Pan resources.

Reverse circulation drill rigs were mobilized into Pan during late March, and had completed 48 holes (24,275 feet) by the end of the second quarter. Midway plans to drill 54,000 feet in 100 holes at Pan in 2008. In addition to exploration efforts at the Neverland, Island, and Lily zones drilling is following up on gold discoveries at the Wendy, Nana, and Barite zones. Drilling will also include confirmation and metallurgical core to initiate a preliminary economic assessment study planned for Pan in 2008.

Significant results announced during the second quarter include the identification of a near surface high grade zone within the North Pan deposit. Drill hole PN08-7 returned 20 feet of 0.230 opt gold within 60 feet of 0.087 opt gold and was drilled near hole EP-53 which encountered 20 feet of 0.021 opt gold. A second hole, PN08-6, intersected 15 feet of 0.107 opt gold within 165 feet of 0.023 opt gold and was drilled near hole NP-150 which encountered 20 feet of 0.019 opt gold

These new high grade intercepts, along with 10 feet of 0.186 opt gold in PN07-65 and 20 feet of 0.188 opt gold in PN07-78 define a previously unrecognized near surface high-grade zone 600 feet long, 30 feet wide, and open to the north, south, and at depth.

See Midway press release, July 9, 2008 at [www.midwaygold.com](http://www.midwaygold.com)

##### **Afgan Project, Eureka County, Nevada**

The Afgan project is located on the south end of the Battle Mountain-Eureka gold trend in central Nevada. The project hosts a Carlin-style disseminated gold deposit in silicified siltstone and jasperoid breccia. The gold resource lies within a semi-continuous zone that extends for over 4,100 feet in a north-south direction and 1,500 feet east-west. The resource is open for possible expansion in several areas.

Midway's 2008 work included a ground gravity survey completed during the first quarter and field mapping that is underway to help guide exploration in the zone between Big Cyndi and Afgan.

##### **Gold Rock, White Pine County, Nevada**

Gold Rock is sediment hosted gold system located on the southern end of the Battle Mountain-Eureka gold trend, approximately 15 miles southeast of Midway's Pan Project. The property includes and surrounds the Easy Junior open pit gold mine operated by Alta Bay in the 1990s. Midway controls approximately 14 square miles of mineral rights by a lease of unpatented mining claims.

By the end of the 2008 second quarter 3,525 feet of reverse circulation drilling (11 holes) were completed on the south end of the Anchor Rock target. Results of that drill program did not produce any significant intercepts, although 4 holes failed to reach target depths due to karst development at the limestone-shale contact.

Geologic mapping, data compilation of historic drilling, soil and rock chip sampling, and a ground gravity and magnetic survey are currently in progress at Gold Rock. This work will help develop the 2008 plan for additional drilling. Project work to assess the potential for sediment hosted gold deposits is ongoing.

## **Carlin Gold Trend**

### **Maggie Creek, Eureka County, Nevada**

Midway abandoned the Maggie Creek project in the second quarter 2008.

### **Maiden Gold project, Montana**

On April 4, 2008, Midway entered into a mineral lease agreement for patented mining claims and unpatented mining claims located in Fergus County, Montana. Midway paid US\$55,000 and would have been required to make ongoing annual minimum royalty payments. Midway was not able to secure the rest of the necessary property package and abandoned this effort and wrote off the \$55,552 in total acquisition costs.

### **Results of operations for the six months ended June 30, 2008 compared to the six months ended June 30, 2007**

The net loss for the six months ended June 30, 2008 was \$7,245,517 (2007 – \$4,788,769). The increase in net loss was due primarily to increased exploration expenses on the Company's Nevada projects.

#### ***Significant differences in costs between the periods are as follows:***

Exploration expenses in the six months ended June 30, 2008 was \$6,321,363 (2007 – \$4,407,548). The details of the expenses in each period may be found in the schedule to the unaudited consolidated interim financial statements. In the six months ended June 30, 2008 \$1,128,220 (2007 – \$1,106,753) was spent at the Midway project, \$3,465,427 (2007 - \$2,676,241) at the Spring Valley project, \$1,207,485 (2007 - \$547,477) at the Pan Project; and a total of \$520,231 (2007 - \$77,077) on the Maggie Creek, Thunder Mountain, Afgan, Gold Rock, Burnt Canyon, Maiden Gold projects and on investigation of other potential acquisitions. Exploration levels are determined by the success of previous exploration programs on each project and cash available to fund additional programs. Exploration salaries and labor include the non-cash estimated fair value of stock based compensation for stock options granted to technical employees in the period of \$162,209 (2007 - \$nil).

Included in consulting fees was \$45,000 (2007 - \$45,000) paid to Golden Oak Corporate Services, a company wholly owned by Doris Meyer, the Company's Chief Financial Officer and Corporate secretary for financial reporting and corporate compliance services.

Investor relations and travel costs combined were \$176,481 for the six months ended June 30, 2008 (2007 - \$176,251). Management participated in several investor shows in North America. Midway has focussed its investor relations efforts on increasing the market's awareness of Midway by travelling to meet potential investors and attendance at industry investor shows.

Professional fees paid to lawyers and auditors increased in the quarter ended June 30, 2008. The fees were primarily related to the Company's registration as a reporting issuer with the Securities and Exchange Commission in the USA and its dual listing on the Amex stock exchange. The Company's ongoing reporting requirements in Canada and the USA require increased involvement by both counsel and the auditors.

Salary payments are to Midway's staff based in Helena, Montana. The category includes the estimated fair value of stock based compensation for stock options granted and vested to employees, directors and officers in the period of \$172,267 (2007 - \$473,779).

The income tax recovery of \$464,000 (2007 - \$nil) and an unrealized foreign exchange loss (gain) of \$229,892 (2007 – (\$590,000)) included in the foreign exchange loss (gain) of \$207,313 (2007 – (\$526,776)) relate to the US dollar denominated future income tax liability recorded upon the acquisition of Pan-Nevada.

## Results of operations for the six months ended June 30, 2007 compared to the six months ended June 30, 2006

The net loss for the six months ended June 30, 2007 was \$4,788,769 (2006 – restated to \$3,260,599). The increase in net loss was due primarily to increased exploration expenses on the Company's Nevada projects.

### *Significant differences in costs between the periods are as follows:*

Exploration expenses in the six months ended June 30, 2007 were \$4,407,548 (2006 - \$2,814,593). The details of the expenses in each period may be found in the schedule to the unaudited consolidated interim financial statements. In the current period a total of \$1,106,753 was spent at the Midway project, \$2,676,241 at the Spring Valley project, \$547,477 at the Pan Project and \$77,077 on investigation of other potential acquisitions. This compares to the 2006 expenditures of \$1,126,636 at the Midway project, \$1,606,143 at the Spring Valley project and \$81,814 on investigation of properties. Exploration levels are determined by the success of previous exploration programs on each project and available cash to fund additional programs. Results of the current year exploration program are discussed above under each property.

Exploration salaries and labour include the non-cash estimated fair value of stock based compensation for stock options granted to technical employees in the period of \$nil (2006 - \$749,470). The Company has hired additional technical personnel some of who had previously been acting as consultants.

Investor relations increased in the second quarter of 2007 due to the Company's attendance at various investor shows in the first half of 2007 and a focus on increasing the market's awareness of the Company. During the fiscal 2006 year, the Company engaged various companies to provide research analysis and investor related services. Professional fees paid to lawyers and auditors increased in the second half of 2007 over 2006 due to the Company's preparation to register itself as a reporting issuer with the Securities and Exchange Commission in the USA.

Salary payments are to the Company's President and administrative staff based in Helena, Montana. Cash salaries totalled \$158,847 (2006 - \$88,346) and the estimated fair value of stock based compensation for stock options granted to employees, directors and officers in the period were \$473,779 (2006 - \$443,220).

Increases in interest income in the current period are a result of the increased interest rates and higher levels of cash on deposit. The foreign exchange gain includes an unrealized gain of \$590,000 related to the June 30, 2007 translation in Canadian dollar terms of the US dollar denominated future income tax liability recorded with the acquisition of Pan-Nevada.

### Summary of Quarterly Results (Unaudited)

	<b>June 2008</b>	<b>March 2008</b>	<b>Dec 2007</b>	<b>Sept 2007</b>	<b>June 2007</b>	<b>March 2007</b>	<b>Dec 2006</b>	<b>Sept 2006</b>
Revenue from the sale of minerals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	4,261	2,984	2,330	3,547	3,404	1,385	1,834	2,147
Net loss per share, basic and diluted	0.08	0.06	0.05	0.08	0.08	0.04	0.06	0.06

\$(000's) except per share amounts

### Notes and Factors Affecting Comparability of Quarters:

- (1) The Company is a mineral exploration company at the development stage and has no operating revenues.
- (2) Stock based compensation costs are a non-cash expense and represent an estimate of the fair value of stock options granted. These expenses are often the largest item included in the Statement of Operations and they represent a significant source of variation in loss from quarter to quarter. Stock based compensation is allocated between salaries and benefits and mineral exploration expenditures.

- (3) Costs for the June 30 quarter tend to be higher due to printing and mailing of shareholder material for the Company's annual general meeting and costs of conducting this meeting.
- (4) Costs for the December 31 quarter also tend to be higher due to accruals for the annual audit.
- (5) The effect of the change in accounting policy to expense all exploration expenses instead of capitalizing them was taken in the fourth quarter of 2006 in this MD&A and the net loss shown for each quarter is as previously reported.

### **Liquidity and Capital Resources**

The Company began the 2008 year with cash and cash equivalents of \$8,325,280. During the six months ended June 30, 2008, the Company expended \$6,613,621 on operations, invested a total of \$677,598 in mineral property and equipment, and raised \$3,296,889 from the issue of shares for cash to end at June 30, 2008, with cash and cash equivalents of \$4,330,950.

Working capital at June 30, 2008, was \$2,996,980 compared to \$8,004,682 at December 31, 2007.

We have no revenues from operations, and should we wish to maintain our exploration and development programs or acquire additional mineral exploration projects and fund exploration programs on those newly acquired projects, we will need to raise additional funds. Midway plans to raise capital in 2008 to fund its continued exploration and development.

In the six months ended June 30, 2008, we issued a total of 204,000 common shares pursuant to the exercise of stock options for cash proceeds of \$375,750, 108,500 common shares pursuant to the exercise of share purchase warrants for cash proceeds of \$154,999 and 1,421,500 common shares at \$2.00 per common share for proceeds of \$2,843,000 by way of a private placement. The Company incurred \$76,860 in share issue costs.

On August 1, 2008 the Company issued a total of 600,000 common shares for proceeds of US\$1,500,000 by way of a private placement. The proceeds were used to acquire a 75% interest in the Golden Eagle project in Washington.

On July 21, 2008 the Company issued 275,000 shares pursuant to the exercise of stock options for proceeds of \$357,500.

On July 16, 2008 the Company's board of directors granted 215,000 stock options to certain US resident employees at an exercise price of \$2.00 and a five year term with normal vesting provisions.

As of August 1, 2008, there are 3,537,500 stock options at prices ranging from \$0.80 to \$3.36 outstanding. While it is probable that some of these options will be exercised, it is not possible to predict the timing or the amount of funds which might be received.

### **Contractual Obligations**

There are no contractual obligations other than those described in the notes to the unaudited interim consolidated financial statements.

### **Off-balance sheet arrangements**

There are no off balance sheet arrangements.

### **Inflation**

We do not believe that inflation has had a significant impact on our consolidated results of operations or financial condition.

## **Environmental Compliance**

Our current and future exploration and development activities, as well as our future mining and processing operations, are subject to various federal, state and local laws and regulations in the countries in which we conduct our activities. These laws and regulations govern the protection of the environment, prospecting, development, production, taxes, labor standards, occupational health, mine safety, toxic substances and other matters. We expect to be able to comply with those laws and do not believe that compliance will have a material adverse effect on our competitive position. We intend to obtain all licenses and permits required by all applicable regulatory agencies in connection with our mining operations and exploration activities. We intend to maintain standards of environmental compliance consistent with regulatory requirements.

Midway has an obligation to reclaim its properties after the surface has been disturbed by exploration methods at the site. As of June 30, 2008, we have accrued US\$70,466 related to reclamation and other closure requirements at our properties, unchanged from December 31, 2007. These liabilities are covered by a combination of surety bonds and restricted cash totaling \$433,424 at June 30, 2008 (December 31, 2007 - \$349,239). We have accrued as a current liability what management believes is the present value of our best estimate of the liabilities as of June 30, 2008; however, it is possible that our obligations may change in the near or long term depending on a number of factors.

## **Critical accounting policies**

Critical accounting estimates used in the preparation of the financial statements include our estimate of recoverable value on our property, plant and equipment, site reclamation and rehabilitation as well as the value assigned to stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of our control.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of our control and will depend, among other things, upon a variety of factors including the market value of Midway shares and financial objectives of the holders of the options. We used historical data to determine volatility in accordance with Black-Scholes modeling, however the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the stock-based compensation expense and hence results of operations, there is no impact on our financial condition.

Midway's recoverability evaluation of its mineral properties and equipment is based on market conditions for minerals, underlying mineral resources associated with the assets and future costs that may be required for ultimate realization through mining operations or by sale. Midway is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding and currency risk, as well as environmental risk. Bearing these risks in mind, Midway has assumed recent world commodity prices will be achievable. We have considered the mineral resource reports by independent engineers on the Midway, Spring Valley, Pan and Afgan projects in considering the recoverability of the carrying costs of the mineral properties. All of these assumptions are potentially subject to change, out of our control, however such changes are not determinable. Accordingly, there is always the potential for a material adjustment to the value assigned to mineral properties and equipment.

Midway has an obligation to reclaim its properties after the surface has been disturbed by exploration methods at the site. As a result Midway has recorded a liability for the fair value of the reclamation costs it expects to incur. The Company estimated applicable inflation and credit-adjusted risk-free rates as well as expected reclamation time frames. To the extent that the estimated reclamation costs change, such changes will impact future reclamation expense recorded.

Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS 157"), clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures on fair value measurements. We have adopted SFAS 157 and FASB Staff Position FAS 157-2: *Effective Date of FASB Statement No. 157* effective January 1, 2008. The adoption of SFAS 157 for financial instruments as required at January 1,

2008 did not have a material effect on our consolidated financial statements; however, we are required to provide additional disclosure as part of our consolidated financial statements. We will adopt SFAS 157 for non-financial assets and non-financial liabilities on January 1, 2009 as required and do not expect the provisions to have a material effect on our consolidated financial statements.

SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The valuation of our investments in marketable securities include available for sale securities. The Company's Level 1 assets include the valuation of the common shares available for sale with no trading restrictions as determined using a market approach based upon unadjusted quoted prices for identical assets in an active market. Level 1 assets also include the valuation of warrants that are considered derivatives and are marked to market each reporting period based upon unadjusted quoted prices for identical assets in active markets. The Company's Level 2 assets include the valuation of common shares with trading restrictions that will be removed within one year of the financial period reporting date as determined using a market approach and based upon quoted prices for identical assets in an active market adjusted by a discount to market comparable to the discount allowed by the TSX Venture Stock Exchange for private placements.

Financial Instrument	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total
	Level 1	Level 2	Level 3	
Available-for-sale securities	\$196,000	\$147,000	\$-	\$343,000
Derivatives	70,000	-	-	70,000
Total	\$266,000	\$147,000	\$-	\$413,000

In February 2007, the FASB issued FAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" including an amendment of FASB Statement No. 115. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement applies to all entities, including not-for-profit organizations. Most of the provisions of this Statement apply only to entities that elect the fair value option. FAS No. 159 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and is applicable beginning in the Company's first quarter beginning January 1, 2008 and it had no material impact on the consolidated financial statements.

## Recent United States Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “Business Combinations” (“FAS 141R”), which replaces FAS 141 and SFAS No. 160, “Non-controlling Interest in Consolidated Financial Statements”, an amendment of ARB No. 51 (“FAS 160”). FAS 141R establishes principles and requirements for how an acquirer in a business combination recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any controlling interest; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. FAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. FAS 141R and FAS 160 shall be applied prospectively on or after an entity’s fiscal year that begins on or after December 15, 2008. The Company is currently assessing the impact that FAS 141R and FAS 160 will have on its consolidated financial statements but does not expect that it will have a material impact on the consolidated financial statements.

## Related Party Transactions

The Company had the following related party transactions for the six months ended June 30, 2008 and 2007 respectively.

	June 30, 2008	June 30, 2007
Consulting services paid to a company owned by an officer of the Company	\$ 45,000	\$ 45,000
Recovery of office costs from a company managed by common directors and officers	(2,513)	(8,875)
Share issued to a director pursuant to the Gold Rock property agreement – 30,000 common shares	88,500	nil

These transactions are in the normal course of business and are measured at the exchange amount which is the consideration established and agreed to by the related parties.

## Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Although Midway is exposed to market risk with respect to its ownership of the Rye Patch common shares, including any common shares issuable pursuant to the exercise of the Rye Patch warrants, it believes that the effect of this risk on Midway’s business is not significant.

We have no debt instruments subject to interest payments, sales contracts, swaps, derivatives, or forward agreements or contracts, or inventory.

Midway has no currency or commodity contracts, and we do not trade in such instruments.

Midway has no cash flow or revenue from operations. Our operating funds are currently provided by equity issuances. We have to date always raised funds in Canadian dollars although we incur the majority of our expenditures in Canadian and United States dollars. The shares of Midway are listed for trading on AMEX and TSX.V and accordingly our ability to raise equity funds and the price at which such issues are sold is directly related to the activity and price of our shares on such exchanges. In addition, as we incur expenditures in both Canadian and United States currencies we have exposure to foreign currency gains or losses. We do not currently enter into any contracts or arrangements to hedge against currency fluctuations.

We have no debt instruments which are subject to interest payments.

We periodically access the capital markets with the issuance of new shares to fund operating expenses, and we do not maintain significant cash reserves over periods of time that could be materially affected by fluctuations in interest rates or foreign exchange rates.

**Item 4. Controls and Procedures.**

**Disclosure Controls and Procedures**

As of the end of the period covered by this report (the "Evaluation Date"), we carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer ("CEO") and the Company's Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, the CEO and CFO concluded that as of the Evaluation Date, the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15) were adequately designed and effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

**Changes in Internal Control over Financial Reporting**

During the period covered by this report, there were no changes to internal control over financial reporting that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings.**

Neither we nor any of our properties is currently subject to any material legal proceedings or other regulatory proceedings.

**Item 1A. Risk Factors.**

There are no material changes from the risk factors previously disclosed in Midway's Form 10-K filed on March 28, 2008 with the SEC.

**Item 2. Unregistered Sale of Equity Securities and Use of Proceeds.**

Since the beginning of the period covered by this report, except as provided below, we previously reported all issuances of unregistered equity securities on current reports filed on Form 8-K.

During the period covered by this report, we issued 204,000 common shares pursuant to the exercise of stock options and for aggregate proceeds of \$375,750. On February 13, 2008, William Sheriff, a director of Company, assigned an existing lease on 10 unpatented claims adjoining the Gold Rock property to Midway in consideration for the issuance by Midway of 30,000 common shares at a value of \$88,500. The 30,000 common shares were issued by Midway on June 30, 2008 in a private transaction not involving a public offering pursuant to exemptions available under Rule 506 of Regulation D and/or Section 4(2) of the Securities Act of 1933, as amended. The share issue costs were \$1,489. We intend to use the proceeds from the exercise of stock options for general working capital purposes.

**Item 3. Default Upon Senior Securities.**

None.

**Item 4. Submission of Matters to a Vote of Security Holders.**

On June 17, 2008, we held our annual general meeting of shareholders at 2:00 p.m. (Vancouver time) at the Four Seasons Hotel, The Strathcona Room, 791 West Georgia Street, Vancouver, BC V6C 2T4. Shareholders representing 34,436,727 shares or 68.99% of the shares authorized to vote (49,916,664) were present in person or by proxy, representing a quorum for the purposes of the annual meeting. The shareholders approved the following:

<b>Proposal #1 – Election of Directors</b>	<b>Voted For</b>	<b>Withheld</b>	
The election of the Nominees to the Company’s Board to serve until the Company’s 2009 Annual Meeting of Shareholders or until successors are duly elected and qualified:			
Alan D. Branham	33,303,143	1,133,584	
Brian J. McAlister	33,389,543	1,047,184	
Brain Bayley	33,387,088	1,049,639	
George T. Hawes	33,387,588	1,049,139	
William M. Sheriff	33,543,388	893,339	
William Lupien	33,537,388	899,339	
<b>Proposal #2</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
To ratify the appointment of KPMG LLP as the Company’s auditor for the fiscal year 2008 and to authorize the Board of Directors to fix the remuneration to be paid to KPMG LLP	34,150,901	n/a	285,826
<b>Proposal #3</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
To approve the renewal of the Company’s 2008 Stock Option Plan	21,540,482	778,915	12,117,330

Proxies were solicited under the proxy statement filed with the Securities and Exchange Commission on May 22, 2008. Each nominee for director was elected, and the shareholders approved each proposal.

**Item 5. Other information.**

None.

## Item 6. Exhibits.

Documents filed as part of this Quarterly Report on Form 10-Q or incorporated by reference:

Exhibit Number	Description
3.1	Notice of Articles, previously filed with the initial registration statement on Form S-1 filed with the Securities and Exchange Commission on August 6, 2007 and incorporated herein by reference.
3.2	Articles, previously filed with the initial registration statement on Form S-1 filed with the Securities and Exchange Commission on August 6, 2007 and incorporated herein by reference.
10.1	Assignment Agreement between the Company's wholly-owned subsidiary MGC Properties Inc. and Martin H. Webster, Donald H. Jones, Michael C. Agran, Virginia Genest, Wallace Stephens and Sandra Newmark, dated June 25, 2008
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-15(f) of the Exchange Act
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-15(f) of the Exchange Act
32.1	Certification of Chief Executive Officer pursuant to Rule 13a or 15(d) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Rule 13a or 15(d) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**MIDWAY GOLD CORP.**

August 14, 2008

By: /s/ Alan D. Branham  
Alan D. Branham  
President, Chief Executive Officer and Director  
(Principal Executive Officer)

August 14, 2008

By: /s/ Doris A. Meyer  
Doris Meyer  
Chief Financial Officer and Corporate Secretary  
(Principal Financial and Accounting Officer)

**Certifications**

I, Alan D. Branham, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Midway Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15 (f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 14, 2008

/s/ Alan D. Branham  
Alan D. Branham  
President, Chief Executive Officer and Director  
(Principal Executive Officer)

### Certifications

I, Doris Meyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Midway Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15 (f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 14, 2008

/s/ Doris A. Meyer  
Doris Meyer  
Chief Financial Officer and Corporate Secretary  
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Midway Gold Corp. (the "Company") does hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the period ended June 30, 2008 (the "Report") that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 14, 2008

/s/ Alan D. Branham  
Alan D. Branham  
President, Chief Executive Officer and Director  
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Midway Gold Corp. (the "Company") does hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the period ended June 30, 2008 (the "Report") that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 14, 2008

/s/ Doris Meyer  
Doris Meyer  
Chief Financial Officer and Corporate Secretary  
(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.