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VIKING GOLD EXPLORATION INC.
FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED JUNE 30, 2011

GENERAL:

This Management Discussion and Analysis ("MD&A") document prepared as of August 26, 2011, should be read together with the condensed interim financial statements of **Viking Gold Exploration Inc.** (hereafter "**Viking Gold**" or "**the Company**") for the three months ended June 30, 2011, including the related notes. The condensed interim financial statements are prepared in accordance with IAS 34, "Interim Financial Reporting" using accounting policies that comply with International Financial Reporting Standards ("IFRS").

The Company's transition date from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS was January 1, 2010, with a corresponding IFRS adoption date of January 1, 2011. Accordingly, the preparation of the condensed interim financial statements for the three months ended March 31, 2011 resulted in significant changes to the accounting policies as compared with the Company's most recent annual Canadian GAAP financial statements prepared as at December 31, 2010 and for the year then ended. Because of those changes, readers are advised to also read the Company's Canadian GAAP annual audited financial statements for the year ended December 31, 2010, and the Company's condensed interim IFRS financial statements for the three months ended March 31, 2011.

All amounts herein are expressed in Canadian dollars, and are based on the Company's IFRS accounting policies, unless otherwise indicated. The address of the Company's head office is #2B – 2900 John Street, Markham, Ontario, Canada, L3R 5G3. Additional information about Viking Gold is available on the SEDAR website at www.sedar.com and on the Company's website at www.vikinggold.ca.

DESCRIPTION OF BUSINESS:

Viking Gold Exploration Inc. is incorporated under the laws of the Province of Ontario and is a junior exploration company engaged in mineral exploration in Canada. It is a reporting issuer in the Provinces of Ontario, Newfoundland and Labrador, British Columbia and Alberta, and is a Tier-2 listed company on the TSX Venture Exchange, trading under the symbol VGC.

RISK AND UNCERTAINTIES:

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

As at June 30, 2011, the Company had working capital of $804,747 and a flow-through expenditure commitment of $874,000. The Company will need to raise additional funds in 2011 in order to finance current operations and meet all its commitments. Long-term continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company's current and future liabilities and commitments as they become due, although there is a risk that additional financing may not be available on a timely basis or on terms acceptable to the Company.

Viking Gold is involved in gold exploration, an inherently high-risk activity. Exploration is also capital intensive and the Company has no funding mechanism other than equity financings (including private placements and exercises of warrants and stock options) and potential joint venture financing arrangements with other mineral exploration companies.

RISK AND UNCERTAINTIES (Continued):

Market risk and environmental risk are additional risks the Company faces. Market risk is the risk of depressed metals prices, particularly gold. The Company is dependent on capital markets to fund exploration, development and general working capital requirements and a period of depressed gold prices might make access to investment capital more difficult. Environmental regulations affect the cost of exploration and development as well as future mining operations.

FORWARD-LOOKING STATEMENTS:

The skills of management and staff in mineral exploration and raising capital serve to mitigate these risks. The ability of the Company to continue operations into the future is dependent upon continuing to obtain favourable results from its exploration activities, which will affect its ability to raise funds and to attract potential joint venture partners. In addition, there is also a risk that existing joint venture partners may be unable to meet their financial obligations, which could delay resource projects and possibly place additional stress on the Company's cash resources.

This MD&A may contain certain forward looking statements relating to, but not limited to, the Company's operations, exploration plans, anticipated equity financing, business prospects and strategies. Forward looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes. Such forward-looking statements are subject to risks, uncertainties and other factors as identified under "Risks and Uncertainties" below, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such factors include financial market conditions and economic, competitive, regulatory and business conditions. The Company updates its forward-looking statements at future dates based on outcomes not presently known and as such, readers should not place undue reliance on forward-looking statements.

MINERAL PROPERTIES:

Description of Properties:

The Company has 6 mineral property interests that comprise the "Morris Lake Project" – a block of contiguous claims and leases situated approximately 73 kilometres north of Yellowknife, Northwest Territories. During the three-month period ended June 30, 2011, the Company acquired 5 additional mineral property interests, 2 in Ontario and 3 in Quebec as outlined below, bringing the total number of properties to 11.

Properties	Year Acquired	Mineral Tenure (all 100% unless otherwise stated)	# of Claims/ Leases
Morris Lake Project, NT			
Viking Yellowknife	2003	Leases; 60% joint venture interest	3
Max Lake	2004	Leases	2
ML Properties	2006	Claims	5
Peregrine	2006	Claims; 60% joint venture interest	5
Maguire Lake	2009	Claims	3
LM Claims	2010	Claims	3
			21
Venton Lake, ON	2011	Claims	13
Larose, ON	2011	Claims	16
			29
Verneuil, QC			
Verneuil Central	2011	Claims; 70% joint venture interest	44
Verneuil West	2011	Claims	19
Verneuil East	2011	Claims	10
			73
Total			123

MINERAL PROPERTIES (Continued):
Description of Properties (Continued):
A continuity of the Company's exploration and evaluation assets for the six months ended June 30, 2011 follows:

Properties	Balance, January 1, 2011	Expenditures for six months ended June 30, 2011	Write-downs for six months ended June 30, 2011	Balance, June 30, 2011
Acquisition costs				
Morris Lake Project, NT				
Viking Yellowknife	$ 123,500	$ -	$ -	$ 123,500
Max Lake	29,700	-	-	29,700
ML Properties	8,359	-	-	8,359
Peregrine	-	-	-	-
Maguire Lake	10,967	-	-	10,967
LM Claims	8,277	-	-	8,277
	180,803	-	-	180,803
Venton Lake, ON	-	109,622	-	109,622
Larose, ON	-	100,421	-	100,421
Verneuil, QC				
Verneuil Central	-	136,952	-	136,952
Verneuil West	-	93,097	-	93,097
Verneuil East	-	1,962	-	1,962
	180,803	442,054	-	622,857
Deferred exploration expenditures				
Morris Lake Project, NT				
Viking Yellowknife	1,841,268	601	-	1,841,869
Max Lake	512,669	1,843	-	514,512
ML Properties	104,762	-	-	104,762
Peregrine	971,382	4,837	(72,000)	904,219
Maguire Lake	720	-	-	720
LM Claims	-	-	-	-
	3,430,801	7,281	(72,000)	3,366,082
Verneuil, QC				
Verneuil Central	-	58,027	-	58,027
	3,430,801	65,308	(72,000)	3,424,109
Total expenditures				
Morris Lake Project, NT				
Viking Yellowknife	1,964,768	601	-	1,965,369
Max Lake	542,369	1,843	-	544,212
ML Properties	113,121	-	-	113,121
Peregrine	971,382	4,837	(72,000)	904,219
Maguire Lake	11,687	-	-	11,687
LM Claims	8,277	-	-	8,277
	3,611,604	7,281	(72,000)	3,546,885
Venton Lake, ON	-	109,622	-	109,622
Larose, ON	-	100,421	-	100,421
Verneuil, QC				
Verneuil Central	-	194,979	-	194,979
Verneuil West	-	93,097	-	93,097
Verneuil East	-	1,962	-	1,962
	$ 3,611,604	$ 507,362	$ (72,000)	$ 4,046,966

MINERAL PROPERTIES (Continued):

Description of Properties (Continued):

Acquisition costs of $442,054 incurred in Q2-2011 consist of:

Properties	# of common shares issued	Common shares issued	Cash payments due to vendors	Legal and other fees	Totals
Venton Lake, ON	150,000	$ 30,000	$ 75,000	$ 4,622	$ 109,622
Larose, ON	400,000	80,000	10,000	10,421	100,421
Verneuil, QC					
Verneuil Central	600,000	120,000	-	16,952	136,952
Verneuil West	300,000	60,000	30,000	3,097	93,097
Verneuil East	-	-	-	1,962	1,962
	1,450,000	$ 290,000	$ 115,000	$ 37,054	$ 442,054

The values assigned to the common shares issued by the Company for the acquisition of exploration and evaluation assets, were all based on the $0.20 per share closing price on the respective dates of issuance.

Information concerning each of the individual properties follows.

Additional Information:

a) Viking Yellowknife

The Company owns a 60% interest in the Viking Yellowknife Joint Venture, an unincorporated entity formed on January 1, 2008 to conduct future exploration activities on three mining leases that comprise the Viking Yellowknife property. Viking Yellowknife Gold Mines Limited, a 78.8%-owned subsidiary of Lakota Resources Inc., owns the remaining 40% interest in the joint venture.

Total expenditures of $1,597,819 incurred prior to January 1, 2008, on this formerly optioned property, were 100% attributable to the Company. Expenditures incurred thereafter are attributable to the joint venture partners in their proportionate interests. As at June 30, 2011, the Company has spent a cumulative total of $1,965,369 on the Viking Yellowknife property.

b) Max Lake:

Pursuant to an arm's length option agreement with Aur Resources Inc. dated September 15, 2004, the Company earned a 100% interest in two mining leases located in the Northwest Territories, subject to a 2% net smelter return ("NSR"). The Company has the right to purchase 50% of the NSR for $1,000,000. These leases expire in May 2018. As at June 30, 2011, the Company has spent a cumulative total of $544,212 on the Max Lake property.

c) ML Properties:

This group of contiguous properties is comprised of five claims staked by the Company, which are presently all in good standing as a result of receiving governmental approval of the Company's Limnic Survey Report in January 2011. This report was filed in May 2009 to attest to the completion of assessment work. Expenditures of approximately $3,500 will be required over the next three years in order to keep these claims in good standing. As at June 30, 2011, the Company has spent a cumulative total of $113,121 on the ML Properties.

MINERAL PROPERTIES (Continued):

Additional Information (Continued):

d) Peregrine:

The Company has an agreement with Peregrine Diamonds Ltd. ("Peregrine") with respect to certain lands held by Peregrine. The property consists of five claims.

Under the original agreement, the Company had a four-year right to explore for minerals other than diamonds, subject to completing an airborne geophysical survey in 2006 (completed) and maintaining the property in good standing under the Mining Act (NWT). If the Company completed $1 million of exploration work by September 9, 2011 (modified from April 21, 2010 by way of an Amending Agreement dated April 9, 2009), it would earn a 60% joint venture interest with Peregrine owning the other 40%. The Amending Agreement contains a dilution formula in the event either joint venture partner fails to fund approved programs, and a conversion clause requiring an automatic conversion to a 2% NSR should a partner's joint venture interest fall to below 15%. The Amending Agreement also acknowledges that BHP Billiton currently holds a 2% NSR, which may be purchased for fair value as determined by a third party valuator acceptable to the parties.

As of May 31, 2010, the Company believed it had satisfied its earn-in expenditure commitment (with the permitted inclusion of a calculated allowance for overhead) though this was not confirmed by Peregrine until March 28, 2011. The Company now holds a 60% joint venture interest and may, at any time, submit a joint exploration program for approval by Peregrine, as previously explained.

The Peregrine claims are presently all in good standing as a result of receiving government approval of the Company's Limnic Survey Report, as previously explained.

In March 2011, the joint venture's ability to explore the Peregrine claims was interrupted by the expiry of a land use permit issued by the Mackenzie Valley Land and Water Board. Continued exploration of these claims is subject to the joint venture securing a new land use permit.

In addition, the joint venture has the right to explore the properties covered by the five Peregrine mineral claims until November 7, 2012, at which time the individual claims must be brought to lease or they will expire and the joint venture will lose its right to continue exploration. The process of bringing one or more of the Peregrine claims to lease would require a land survey to be performed by the joint venture at an estimated average cost of $60,000 per claim. The Company's management estimates that of the five Peregrine claims, only two are worthy of being brought to lease. Accordingly, in March 2011 the Company wrote down (to nil) its $72,000 carrying value of the three Peregrine claims that would not likely be brought to lease by the joint venture. The $904,219 remaining carrying value of the other two Peregrine claims as at June 30, 2011 is 100% attributable to the Company.

e) Maguire Lake:

This group of three contiguous claims lies to the north of, and adjoins, the Peregrine property described above. The Company staked these claims in April 2009. Parts of these claims fall within a one-kilometre area of influence defined by the original Peregrine Option agreement. The last reporting date for assessment credits on these claims was in May 2011, at which time a minimum of $4.00 per acre (approximately $18,000 of total exploration expenditures) should have been incurred by the Company. Although only $720 of exploration work has been performed on these claims to date, the Company anticipates that excess assessment credits from two adjacent Peregrine claims will be available to cover the Maguire Lake requirements. The Company's continued exploration of these claims is also subject to obtaining a new land use permit. As at June 30, 2011, the Company has spent a cumulative total of $11,687 on the Maguire Lake property.

f) LM Claims:

In May 2010, the Company staked 3 claims on new lands adjacent to ML Properties, Max Lake and Peregrine at a cost of $8,277. Parts of these claims fall within the one-kilometre area of influence of the original Peregrine Option agreement.

MINERAL PROPERTIES (Continued):
Additional Information (Continued):

g) Venton Lake

On April 12, 2011, the Company signed a Letter Agreement in which it was granted an option to earn a 100% undivided interest in 13 mining claims located near Thunder Bay, Ontario known as the "Venton Lake Project." The agreement provides that the Company (as Optionee) will earn a 100% interest in the property by making an initial $75,000 cash payment followed by three additional annual cash payments of $75,000 each from the "Effective Date" (of the transaction) which is defined as the date the TSX-V approves the transaction plus 10 days. Each respective cash payment is also to be accompanied by the issuance of common shares of the Company to the Optionor, as follows – 150,000 shares (initial – completed), 50,000 shares (after the first year), 50,000 shares (after the second year) and 100,000 shares (after the third year), for a total of 350,000 shares.

Upon the exercise of the option, the Optionor will retain a 2.5% NSR on output from the properties following the commencement of commercial production. For the period commencing on the date that is 60 months following the Effective Date and ending on the commencement of commercial production, the Company is required to pay an advance minimum royalty of $15,000 per year to the Optionor within 30 days of the start of each year, which aggregate amounts shall be deducted from the subsequent 2.5% NSR payments. The Company may buy back up one-fifth of the 2.5% NSR at a price of $500,000, for a period of 20 years from the Effective Date. The Company may abandon the option granted to it by giving 30 days notice prior to abandonment, provided that the mineral rights have been in good standing for at least the six months following the date of abandonment.

The TSX-V approved the Venton Lake Project transaction on April 26, 2011. The $75,000 cash consideration due for this acquisition is included in accounts payable and accrued liabilities as at June 30, 2011. As at June 30, 2011, the Company has spent a cumulative total of $109,622 on the Venton Lake property.

h) Larose and Verneuil Properties

On May 17, 2011, the Company signed a Property Sale Agreement with Freewest Resources Canada Inc. ("Freewest"), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF), in which it agreed to acquire a 70% interest in the Verneuil property ("Verneuil Central") and a 100% undivided interest in the Larose property ("Larose"), in exchange for a combined share-based payment of 1,000,000 common shares and a 0.5% NSR on each property.

Verneuil Central is comprised of 44 claims in Verneuil Township in the Abitibi region of Quebec. The 30% interest in Verneuil Central is held by Golden Tag Resources Ltd. ("Golden Tag"). Larose is comprised of 16 claims in Moss Township in northwestern Ontario. Verneuil Central is subject to an existing 1% NSR and Larose to an existing 3% NSR. The NSR's described herein apply to all minerals in perpetuity. The Company has forwarded a joint venture agreement to Golden Tag for execution.

The Company allocated the consideration paid – 60% to Verneuil Central and 40% to Larose.

On June 7, 2011, the Company signed a Letter Agreement with other parties in which it agreed to acquire "Verneuil East", a 100% undivided interest in 10 mining claims located immediately east of Verneuil Proper, in exchange for cash of $20,000, a share-based payment of 200,000 common shares and a 2% NSR in perpetuity. The Company may re-purchase half of the 2% NSR for $1,000,000 at any time.

On June 13, 2011, the Company signed a Letter Agreement with other parties in which it agreed to acquire "Verneuil West", a 100% undivided interest in 19 mining claims located immediately west of Verneuil Proper, in exchange for cash of $30,000, a share-based payment of 300,000 common shares and 150,000 warrants (exercisable at a price of $0.30 for 2 years), and a 2% NSR in perpetuity. The estimated fair value of the warrants issued was treated as a transaction cost for the common shares issued. The Company may re-purchase half of the 2% NSR for $1,000,000 at any time.

MINERAL PROPERTIES (Continued):

Additional Information (Continued):

h) Larose and Verneuil Properties (Continued)

The TSX-V approved the Venton Lake transaction on May 27, 2011 and the Verneuil East and West transactions on June 21, 2011. The consideration due for the Verneuil East property acquisition ($20,000 cash and 200,000 common shares) is to be released after June 30, 2011 at which time the payment will be recorded in the Company's books.

As at June 30, 2011, the Company has spent cumulative totals of $100,421 on Larose, $194,979 on Verneuil Central, $93,097 on Verneuil West and $1,962 on Verneuil East.

i) Joint Ventures

The Company accounts for its 60% interest in Viking Yellowknife and 70% interest in Verneuil Central using the proportionate consolidation method of accounting. The following amounts are included in the financial statements and represents the Company's proportionate share of the combined assets, liabilities, revenues, expenses and cash flows of the two joint ventures, net of any administrative fees earned as the operator of the property:

Condensed interim statements of financial position	June 30, 2011	December 31, 2010
Exploration and evaluation assets		
Viking Yellowknife	$ 367,550	$ 366,948
Verneuil Central	58,027	-
	$ 425,577	$ 366,948

Condensed interim statements of cash flows	Six months ended June 30, 2011	Year ended December 31, 2010
Cash (used in) investing activities		
Exploration and evaluation expenditures		
Viking Yellowknife	$ (601)	$ (875)
Verneuil Central	(58,027)	-
	$ (58,628)	$ (875)

The joint ventures have not generated any revenue or expenses since inception. Amounts receivable and prepaid expenses as at June 30, 2011 includes $7,910 (December 31, 2010 – $8,511) due from Viking Yellowknife and $24,868 (December 31, 2010 – Nil) due from Golden Tag. These amounts are unsecured, non-interest bearing and due on demand.

The Company will prospectively account for its 60% interest in the joint venture with Peregrine using the proportionate consolidation method of accounting, when the joint venture partners agree to move forward with a new exploration program.

Exploration Activities – 2007 to 2011:

Overview

During the past few years, the Company has focused its efforts on identifying and exploring suitable mineral exploration targets on its optioned Viking Yellowknife and Peregrine mineral properties, in order to satisfy related joint venture earn-in obligations. In 2007, the Company completed a $1.5 million expenditure requirement for Viking Yellowknife, and in 2010, it completed a $1.0 Million expenditure requirement for Peregrine. The Peregrine work included a 9-hole, 2010 winter drill program and a 3-hole, 2009 summer drill and channel sampling program.

<u>MINERAL PROPERTIES (Continued):</u>

Exploration Activities – 2007 to 2011 (Continued):

Conclusions Previously Reported in Q2-2010

The Viking Gold 2009 summer and 2010 winter exploration programs provided the first significant drill testing and confirmation of the continuation of the Ormsby gold zone south of the Tyhee discovery. As reported in the Company's July 21, 2010 press release, an evaluation of the assay results indicated anomalous values of gold, arsenic and lead occurring in conjunction with electrically conductive and magnetic zones along a defined mineralized southwest trending zone of at least 2,200 meters in length. The Company also reported its conclusion that the trending zone is an extension of the Ormsby mineralized deposit situated on Tyhee Development Corp.'s adjoining property to the north.

The administration of the 2010 winter drill program and the logging of core were managed by Consulting Geologist William MacRae, M.Sc., P.Geol. The Qualified Person for all of the Company's projects in 2010 was Robert M. Ginn, Ph. D., P. Eng, who was President and CEO of Viking Gold. Dr. Ginn resigned on June 22, 2010 and continued to work for the Company thereafter as a Technical Consultant until March 2011.

Recent Activities

In February 2011, the Company fulfilled additional reporting obligations to the government and to Peregrine, with the filing of a comprehensive technical report and supporting cost analysis, covering the years 2009 and 2010. In April 2011, the Company worked with its Viking Yellowknife Joint Venture partner to renew a mineral lease that would have otherwise expired on April 30, 2011. The Company is currently evaluating past results and determining next steps with its joint venture partners, in the further development of the Morris Lake Project.

Over the past few months, the Company set out to acquire new gold and base metals exploration properties to compliment its current portfolio of properties. To date, the Company has acquired claims in three strategic locations in Ontario and Quebec. The Company has begun an exploration program on the Verneuil properties and expects to commence exploration of the Larose claims and the Venton Lake Project shortly.

Mineral Properties Advisory Committee:

The Company identifies new exploration properties for acquisition through its Property Advisory Committee, whose members are presently Mr. Mackenzie Watson and Mr. Rejean Gosselin. These members are investors of the Company, and are experienced and successful prospectors/geologists who are well known in the Canadian mining industry. In exchange for their participation on the Committee, these members periodically receive stock options. Background information on the members follows.

Mackenzie (Mac) Watson has over 50 years experience in the exploration, development, and mining industry in Canada, and has been involved in the discovery of numerous mineral deposits in Canada. He is currently Honorary Chairman of the Board of Quest Rare Minerals, which he created by a spinoff of uranium properties from Freewest Resources Canada Inc. in 2007. He was recently awarded the prospector of the year award in 2010, for his contribution, with others, to the mineral discoveries in the Ring Of Fire area of Northern Ontario. Prior to that Mac had been President of Freewest Resources Canada Inc. from 1994 until it was recently sold to Cliff Natural Resources. Mac was awarded Canada's Prospector of the Year Award in 1991 for his participation in the discovery of the Harker Holloway gold mine (Ontario). Other discoveries he was associated with are, the Icon–Sullivan copper mine (Quebec), the Long Lake zinc mine (Ontario), the Ellison gold deposit (Quebec) and the Hebecourt copper deposit (Quebec). He was also awarded the Quebec Prospector of the Year, partly for his participation in the discovery of the Pusticamica gold deposit in Quebec.

MINERAL PROPERTIES (Continued):

Mineral Properties Advisory Committee (Continued):

Rejean Gosselin graduated from Laval University in 1979 with ad M.Sc. in Geology. He has worked as a consulting geologist on uranium, gold and base metals mining exploration projects in Canada, United States, and South America from 1979 to 1985. For the past 25 years, Rejean acted as founder and promoter of numerous junior mining companies exploring for different commodities in Canada, West Africa, and Mexico. Rejean is responsible for gold, nickel-copper-PGE and zinc-copper discoveries in Canada and Mexico (Souart gold deposit, Abitibi, Delta Ni-Cu-PGE deposit, Ungava and Bolivar Zn-Cu mine in Mexico). Recent involvements include Dia Bras Exploration as President and CEO from 2003 to 2008 and most recently as Chairman of the Board of Maya Gold and Silver.

LIQUIDITY AND CAPITAL RESOURCES:

The Company has available cash and working capital resources as outlined below. The Company also has a flow-through expenditure commitment to be met from available resources.

Under IFRS, as at	June 30, 2011	December 31, 2010	June 30, 2010
Cash and cash equivalents	$ 931,622	$ 1,099,517	$ 236,457
Working capital [includes cash and cash equivalents]	804,747	1,010,983	220,663
Flow-through expenditure commitment	874,000	940,000	200,000

Capital Resources:

The Company participates in capital resource transactions with investors and others to raise funds for exploration and working capital purposes. This may include private placements and exercises of share purchase warrants and stock options.

During the six months ended June 30, 2011, the Company did not raise any new funds through private placements. Details of common shares issued by the Company in 2011, to acquire exploration and evaluation assets, are disclosed in the MD&A section, “Mineral Properties”.

In 2010, the Company raised $1,670,000 through non-brokered private placements, to finance exploration activities and to provide working capital. The private placements were for units comprised of flow-through and non-flow-through common shares, and warrants to acquire non-flow-through common shares. The Company’s management anticipates that it will raise additional capital resources through similar private placements in 2011.

Exercises of Warrants

On February 2, 2011, the Company issued 200,000 common shares to investors upon the exercise of 200,000 warrants at a price of $0.20 per share, for total proceeds of $40,000. On April 19 and 21, 2011, the Company issued a total of 346,000 common shares to investors upon the exercise of 346,000 warrants at a price of $0.20 per share, for total proceeds of $69,200. In total, $109,200 was received from the exercise of warrants during the six months ended June 30, 2011.

Exercises of Stock Options

On February 25, 2011, the Company issued 125,000 common shares to a director, upon the exercise of 125,000 stock options at $0.15 per share, for total proceeds of $18,750. On April 25, 2011, the Company issued 250,000 common shares to a Consultant (who was a former CEO/director of the Company) upon the exercise of 250,000 stock options at $0.11 per share, for total proceeds of $27,500. On June 8, 2011, the Company issued 150,000 common shares to an director upon the exercise of 150,000 stock options (50,000 at a price of $0.15 per share and 100,000 at a price of $0.13 per share), for total proceeds of $20,500. In total, $66,750 was received from the exercise of stock options during the six months ended June 30, 2011.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet financing arrangements.

QUARTERLY RESULTS:

Summarized quarterly results for Viking Gold for the past eight quarters, prepared using the Company's new accounting principles under International Financial Reporting Standards ("IFRS") or Canadian GAAP ("GAAP") are as follows:

Quarter ended	June 30, 2011 (Q2-IFRS)	March 31, 2011 (Q1-IFRS)	December 31, 2010 (Q4-IFRS)	September 30, 2010 (Q3-IFRS)
Additions to mineral properties	$ 504,854	$ 2,508	$ 17,140	$ 3,399
Income tax expense (recovery)	(5,500)	(39,382)	14,835	(12,150)
Net income (loss)	(139,072)	(119,603)	(299,447)	(33,381)
Basic and diluted income (loss) per share	(0.002)	(0.002)	(0.005)	(0.001)

Quarter ended	June 30, 2010 (Q2-IFRS)	March 31, 2010 (Q1-IFRS)	December 31, 2009 (Q4-GAAP)	September 30, 2009 (Q3-GAAP)
Additions to mineral properties	$ 52,754	$ 410,270	$ 15,427	$ 261,726
Income tax expense (recovery)	(1,881)	85,675	(50,100)	(7,000)
Net income (loss)	(44,487)	(239,741)	19,232	(18,021)
Basic and diluted income (loss) per share	(0.001)	(0.005)	0.000	(0.000)

The Company is involved in mineral exploration and has no operating revenues. The fluctuations in the quarterly loss are mainly due to the normal timing of expenditures, however, certain additional non-cash items may also have a significant impact. Examples include share-based compensation expense, write-downs of exploration and evaluation assets, and deferred (Canadian GAAP – future) income tax provisions.

Share-based compensation expense was recorded in the following quarterly periods: Q2-2011 (IFRS) - $62,000; Q4-2010 (IFRS) - $210,000; Q1-2010 (IFRS) - $111,000. No related expense was recorded in 2009.

A write-down of exploration and evaluation assets of $72,000 was recorded in Q1-2011 (IFRS), as explained in the MD&A section, "Mineral Properties".

Income tax expense (recovery) for each quarter is also disclosed above. In Q4-2009 (GAAP), the $50,100 income tax recovery was attributable to a reduction in the Company's future enacted and substantively enacted income tax rates occurring in that quarter.

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011:

Net Loss:

Net loss of $139,072 for Q2-2011 was 213% higher than the Q2-2010 net loss of $44,487. The increase in Q2 net loss of $94,585 was mainly due to increased operating expenses as outlined below.

Net loss of $258,675 for Q1/Q2-2011 was 9% lower than the Q1/Q2-2010 net loss of $284,228. The decrease in Q1/Q2 net loss of $25,553 was partly due to increased operating expenses in Q1/Q2-2011 of $30,533 as outlined below, a Q1-2011 write-down of E&E assets of $72,000, and a deferred tax recovery in Q1/Q2-2011 of $44,882. In Q1/Q2-2010, deferred income tax expense was $83,794 due to deferred taxes associated with flow-through shares.

For comments on fluctuations in individual expenses see below.

Total Expenses and Operating Loss:

Total expenses and operating loss of $143,982 in Q2-2011 was 211% higher than the 2010 total expenses and operating loss of $46,368. The decrease in expenses and operating loss of $97,614 is further explained below:

Components of expenses, under IFRS		% change	Three months ended June 30, 2011	Three months ended June 30, 2010	Increase (decrease)
Management fees	a)	+ 96	$ 31,373	$ 15,973	$ 15,400
Share-based compensation	b)	-	62,000	-	62,000
Professional and regulatory fees	c)	+ 89	31,003	16,415	14,588
Office and administration	d)	+ 41	18,283	12,980	5,303
Depreciation		- 25	750	1,000	(250)
Investigation of new properties	e)	-	573	-	573
Total expenses and operating loss		+ 211	$ 143,982	$ 46,368	$ 97,614

Total expenses and operating loss of $230,967 in Q1/Q2-2011 was 15% higher than the Q1/Q2-2010 total expenses and operating loss of $200,434. The decrease in expenses and operating loss of $30,533 is further explained below:

Components of expenses, under IFRS		% change	Six months ended June 30, 2011	Six months ended June 30, 2010	Increase (decrease)
Management fees	a)	+ 106	$ 69,468	$ 33,748	$ 35,720
Share-based compensation	b)	- 44	62,000	111,000	(49,000)
Professional and regulatory fees	c)	+ 117	58,330	26,910	31,420
Office and administration	d)	+ 42	38,096	26,776	11,320
Depreciation		- 25	1,500	2,000	(500)
Investigation of new properties	e)	-	1,573	-	1,573
Total expenses and operating loss		+ 15	$ 230,967	$ 200,434	$ 30,533

Some key explanations follow:

a) A new, full-time CEO was in place in Q1/Q2-2011, but not in Q1/Q2-2010.
b) Stock options were granted/expensed as share-based compensation in Q2-2011; no stock options were granted/expensed in Q2-2010. The reverse situation applies in Q1-2011 vs. Q1-2010.
c) Increased filing, legal and audit fees are applicable in Q1/Q2-2011, which is consistent with higher activity levels.
d) Combined increases in Q2-2011 rent (additional space), insurance (increased coverage), trust services; newswire services; these items account for most of the net increase in Q1/Q2-2011.
e) N/A in 2010.

SHARE DATA:

The Company's share data as at June 30, 2011 with a roll-forward to August 26, 2011, the date of this MD&A, is as follows:

Share data, under IFRS	As at June 30, 2011	Transactions after June 30, 2011	As at August 26, 2011
Common shares outstanding (i)	63,377,702	200,000	63,577,702
Potential issuance of common shares			
Warrants (see schedule below)	26,014,499	-	26,014,499
Stock options issued to directors, officers and others (see schedule below)	3,700,000	-	3,700,000
Fully diluted number of common shares outstanding	93,092,201	200,000	93,292,201

Outstanding Warrants:

Expiry date	Original term (years)	Exercise price	As at June 30, 2011	Transactions after June 30, 2011	As at August 26, 2011
December 30, 2011	1	$0.50	1,116,666	-	1,116,666
December 30, 2011	1	$0.30	142,333	-	142,333
June 30, 2012	3	$0.20	4,091,500	-	4,091,500
November 2, 2012	2	$0.15	3,750,000	-	3,750,000
November 2, 2012	2	$0.08	110,000	-	110,000
December 30, 2012	3	$0.20	3,000,000	-	3,000,000
January 27, 2013	3	$0.20	13,654,000	-	13,654,000
June 29, 2013	2	$0.30	150,000	-	150,000
Totals			26,014,499	-	26,014,499

Outstanding and Exercisable Stock Options:

Expiry date	Exercise price	As at June 30, 2011	Transactions after June 30, 2011	As at August 26, 2011
January 26, 2012	$0.13	150,000	-	150,000
January 8, 2013	$0.135	50,000	-	50,000
April 9, 2013	$0.16	550,000	-	550,000
September 12, 2013	$0.115	100,000	-	100,000
February 4, 2015	$0.11	650,000	-	650,000
October 6, 2015	$0.125	1,200,000	-	1,200,000
November 15, 2015	$0.17	700,000	-	700,000
May 17, 2016	$0.24	300,000	-	300,000
Totals		3,700,000	-	3,700,000

Common Shares Issued after June 30, 2011:

(i) Common shares increased to reflect 200,000 shares issued as a share-based payment to acquire the Verneuil East property.

RELATED PARTY TRANSACTIONS:

At present, the Company considers its related parties to consist of: i) members of the Company's key management personnel (e.g. officers and directors), their close family members, and companies controlled or significantly influenced by such individuals; and ii) joint ventures and related partners.

Details of transactions with joint ventures and related partners are disclosed in the MD&A section, "Mineral Properties". Details of transactions with other related parties for the six months ended June 30, 2011 and 2010 are as follows:

Summary of transactions, under IFRS	Six months ended June 30, 2011	Six months ended June 30, 2010
Condensed interim statements of financial position		
Evaluation and exploration assets		
Geology fees – officer, capitalized	$ -	$ 23,000
Condensed interim statements of loss and comprehensive loss		
Management fees – officers	$ 69,468	$ 33,748
Share-based compensation		
Stock options granted to employees, vested		
Officers	$ 62,000	$ 50,871
Non-executive directors	-	55,501
Others	-	4,628
Total	$ 62,000	$ 111,000

The Company's officers receive fees pursuant to fee-for-service arrangements with the Company, in lieu of salaries. The Company's board of directors approves these fees and the share-based compensation.

Trade payables includes amounts owed to officers of $4,898 as at June 30, 2011 (December 31, 2010 – $7,000). These related party liabilities are unsecured, non-interest bearing and due within 30 days.

FINANCIAL INSTRUMENTS:

The Company's financial instruments primarily consist of cash (classified as loans and receivables), cash equivalents (classified as financial assets at fair value through profit or loss), amounts receivable (classified as loans and receivables), an investment (classified as an unquoted equity instrument), and accounts payable and accrued liabilities (classified as other financial liabilities).

The Company's investor warrants are equity instruments and not financial liabilities or financial derivatives.

As at June 30, 2011, the carrying values and fair values of the Company's financial instruments are approximately the same. In addition, the Company's financial instruments that are carried at fair value consist of cash equivalents and are classified as "Level 2" within the fair value hierarchy (i.e. inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, e.g. broker quotes).

The Company has not used any hedging or financial derivatives.

COMMITMENTS AND CONTINGENCIES:

Flow-through Shares:

As at June 30, 2011, the Company is committed to incur prior to January 1, 2012 and on a best-efforts basis, approximately $874,000 in qualifying Canadian exploration expenditures pursuant to private placements for which flow-through proceeds had been received and renounced to investors with an effective date of December 31, 2010. The Company has agreed to indemnify the subscribers of its flow-through shares for any tax-related amounts that become payable by them, if the Company fails to meet it expenditure commitments.

Environmental Contingencies:

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations and has made, and expects to make in the future, appropriate expenditures to comply with such laws and regulations.

CONVERSION TO IFRS:

Key IFRS Transition Dates:

The Company's transition date from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS is January 1, 2010, with a corresponding IFRS adoption date of January 1, 2011. Accordingly, the preparation of the condensed interim financial statements for the three months ended March 31, 2011 has resulted in changes to the accounting policies as compared with the Company's most recent annual Canadian GAAP financial statements prepared as at December 31, 2010 and for the year then ended. The Company's IFRS accounting policies were also applied in preparing an opening IFRS statement of financial position as at the IFRS adoption date, as is required by IFRS 1, "First Time Adoption of International Financial Reporting Standards."

The impact of the transition from Canadian GAAP to IFRS is explained in Note 16 to the condensed interim financial statements for the three months ended March 31, 2011. That note contains several Canadian GAAP-IFRS reconciliations, which enable a reader to trace original GAAP-based assets, liabilities, equity and other financial statement items to the equivalent IFRS-based items. A similar, though less comprehensive, set of GAAP-IFRS reconciliations is included in Note 13 to the condensed interim financial statements for the three months ended June 30, 2011.

The Company's management also included a table in the March 31, 2011 MD&A to provide readers with additional qualitative analysis about the Company's conversion to IFRS from Canadian GAAP. The Company considers its most significant accounting policies to be: mineral properties; share capital and warrants; flow-through shares; decommissioning, restoration and similar obligations; and share-based payments (especially stock options granted to key employees), which were all reviewed and compared in point-form. It is important to note that management has selected its new IFRS accounting policies from a range of acceptable alternatives. The table's column "Impact of differences on transition" identified the overall financial statement impact to the Company in converting from Canadian GAAP to IFRS on a retrospective basis. Accordingly, readers of this document are encouraged to also read the March 31, 2011 MD&A.

CONVERSION TO IFRS (Continued):

IFRS Transition Exceptions, Exemptions and Elections:

IFRS 1 identifies certain exceptions to retrospective application of some aspects of other IFRS's. For the Company, this includes – Non-controlling Interests (IAS 27). In accordance with IFRS 1, the Company has elected to apply the following exemption to full retrospective application of IFRS – Business Combinations (IFRS 3).

The Company has optionally elected under IFRS 1 to apply IFRS 2, Share-based Payments, on a retrospective basis, as follows.

Under IFRS 1, the Company is required to account for its share-based payment transactions (for stock options) that were granted after November 2, 2002 and that have not vested before the Company's January 1, 2010 IFRS transition date (of which there were none). For options granted before November 2, 2002, or granted after November 2, 2002 and vesting before the Company's IFRS transition date, the Company is not required to apply IFRS 2, but may choose to do so only if the fair value of those options granted was previously disclosed publicly and was determined at the grant date in accordance with IFRS 2.

The Company has optionally elected under IFRS 1 to apply IFRS 2 to options granted in 2002 (which were granted prior to November 2, 2002) as well as those options granted in subsequent years and vesting before the IFRS transition date, on the basis that these options satisfy the necessary inclusion tests. During the years 2002 to 2009 inclusive, there were no exercises of the Company's stock options.

Use of Judgments, Estimates and Assumptions:

The preparation of condensed interim financial statements using accounting policies that comply with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The estimates and underlying assumptions are based on historical experience and other factors believed to be reasonable under the circumstances. Accounting estimates are reviewed on an ongoing basis and revisions are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant items in the condensed interim financial statements that involve the use of estimates include the valuation of exploration and evaluation assets, other warrants and share-based compensation, decommissioning, restoration and similar obligations, and the valuation of deferred income tax assets.

NEW IFRS ACCOUNTING STANDARDS NOT YET ADOPTED:

The Company has not yet adopted certain new IFRS standards, amendments and interpretations to existing standards, which have been published but are only effective for its accounting periods beginning after January 1, 2011. These include:

New IFRS standards	Description	Effective date
• Amendments to IFRS 7 – Disclosures – Transfers of Financial Instruments	The amendments to this standard will allow users of financial statements to improve their understanding and disclosures of transfers of financial assets.	July 1, 2011
• Amendments to IAS 12 – Income Taxes	The amendments to this standard require an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount through use or sale.	January 1, 2012
• IFRS 9 – Financial Instruments	The standard replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value. Also requires a single impairment method to be used.	January 1, 2013
• IFRS 10 – Consolidated Financial Statements	The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	January 1, 2013
• IFRS 11 – Joint Arrangements	The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.	January 1, 2013
• IFRS 12 – Disclosure of Interests in Other Entities	The standard sets out disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off statement of financial position vehicles.	January 1, 2013
• IFRS 13 – Fair Value Measurement	The standard sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.	January 1, 2013
• Amendments to IAS 27 – Separate Financial Statements	The standard addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements.	January 1, 2013
• Amendments to IAS 28 – Investments in Associates and Joint Ventures	The standard has been amended to include joint ventures in its scope and to address changes in IFRS 10 to 13 (see above).	January 1, 2013

These new IFRS standards apply to annual periods beginning on or after the stated effective date. Management is currently assessing the impact of adopting these proposed new standards on the Company's financial reporting.