MIRANDA GOLD CORP.

ANNUAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2012

Item 5: Extracted from the an Annual Report on Form 20F filed by Miranda Gold Corp. on www.sedar.com as an alternative Annual Information Form

MIRANDA GOLD CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2012

A. Operating Results

Management's discussion and analysis is presented in relation to the financial statements of Miranda, which statements are prepared as a going concern in accordance with IFRS.

Miranda is in the natural resource sector engaged in the acquisition, exploration and, given the proper situation, development of mineral properties. The Company's primary focus is on gold exploration. The Company has varying interests in a number of mineral properties located in Nevada and Colombia and during fiscal year 2012 in Alaska as well.

The Canadian Accounting Standards Board announced that January 1, 2011, was the changeover date for publicly-listed companies to use International Financial Reporting Standards ("IFRS"), replacing Canada's own Generally Accepted Accounting Principles ("Canadian GAAP"). The consolidated financial statements referred in this Annual Report have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in the financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved the financial statements for issue.

Prior to the adoption of IFRS, the Company's financial statements were prepared in accordance with Canadian GAAP. As the financial statements are the Company's first annual financial statements prepared in accordance with IFRS, disclosure of the elected transition exemptions and reconciliation of accounting policy differences compared to Canadian GAAP have been provided.

The differences arose from a change in functional currency which has been reflected in reporting the Company's financial position in the Company's Canadian dollar presentation currency and the impact related to the different method of estimating share-based compensation expense under Canadian GAAP and IFRS.

Results of Operations for the year ended August 31, 2012 and 2011

The Company incurred a loss of $3,638,037 (2011 - $3,698,003) and a comprehensive loss of $3,782,833 for the year ended August 31, 2012 (2011 - $3,647,741).

Expenses for the year ending August 31, 2012 were $3,619,716 (2011 - $3,610,933).

Significant differences between the years follow:

Investor relations, travel and business promotion combined to $343,746 for the year ended August 31, 2012 (2011 - $327,543). The investor relations programs in fiscal 2012 included attendance at several conferences, newsletters, news releases, interviews (internet), presentations and one-on-one meetings with brokers and analysts, media relations, corporate relations and web site maintenance and responses to inquiries.

The portion of wages and benefits for administration and joint venture management included in expenses are $768,447 for the year ending August 31, 2012 (2011 - $733,037). In addition, the Company allocates a portion of wages and benefits to exploration projects on the basis of direct time spent that are included in property exploration costs. The Company's President is based in Reno and the Company has five additional full time employees based in our exploration office in Elko, Nevada, five full time employees based in Medellin, Colombia and until February 2011, had one full time investor relations manager in Vancouver.

Office rent, telephone, secretarial and sundry costs for the year ended August 31, 2012 were $201,109 (2011 - $190,850). There were no significant differences between the 2012 and 2011 fiscal years.

Professional fees, which include audit, tax preparation and legal fees, were $92,586 (2011 - $80,398). The additional accounting, audit, and legal fees for each of the Colombian branch offices, as well as audit fees related to the transition to IFRS incurred in fiscal 2012 have slightly increased this expense category, year over year.

Exploration and evaluation expenditures in the year ended August 31, 2012 were $1,449,857 net of recoveries from funding partners of $483,926 (2011 - $1,350,487 net of $605,803 recoveries). Exploration and evaluation expenditures are expensed until such time as economically recoverable reserves have been defined on the mineral property and a decision to proceed with development has been made. The Company acts as a service contractor to some of the Company's partners on certain properties for which it was paid a management fee based on a percentage of eligible expenditures. The Company earned $4,706 in the year ended August 31, 2012 (2011 - $3,123). The components of exploration and evaluation expenditures are detailed in Note 9 of the financial statements.

Exploration and evaluation recoveries received by way of property option payments are first credited to the individual project's capitalized exploration and evaluation asset cost before any remaining portion is recognized as a recovery. In the year ended August 31, 2012, the Company recognized $9,400 as exploration and evaluation recoveries (2011 - $40,914).

The non-cash stock based compensation expense for stock options vested during the year was $459,188 in the year ended August 31, 2012 (2011 - $591,854). The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model and recognized over the vesting period of the options.

In fiscal year 2012, the Company wrote off $52,865 in exploration and evaluation asset costs for the Ester Dome project in Alaska and another $33,600 for the Fresno project in Colombia. This compared to $206,929 written off in fiscal year 2011.

The Company's projects are at the exploration stage and have not yet generated any revenue from production to date.

Readers should refer to the notes to the consolidated financial statements for details regarding all the mineral leases and joint venture agreements for each of the Company's properties.

B. Liquidity and Capital Resources

Miranda's primary source of funds since incorporation has been through the issue of its common stock and the exercise of common stock options and common stock share purchase warrants.

Subsequent to August 31, 2012, the Company announced plans to complete a non-brokered private placement, which is expected close in December, 2012, to raise up to $5,000,000 through the issuance of 20,000,000 units at a price of $0.25 per unit (a "Unit"). Each Unit will consist of one common share and one non-transferable common share purchase warrant, with each Warrant will entitle the holder thereof to purchase one additional common share of Miranda at a price of $0.375 for the first two years and $0.50 thereafter until expiry five years from the date of closing the private placement. If the daily volume weighted average trading price of the common shares of Miranda is at least $0.50 per share for 20 consecutive trading days in the period commencing four months after the closing date and up to two years after the closing date or at least $0.75 per share thereafter, Miranda will have the right, exercisable within five trading days thereof, to accelerate the expiry date of the warrants to the date which is 30 days after notice is given to the holders of the warrants of the accelerated expiry date and a news release to that effect is given.

Miranda applies the joint venture business model to its operations. Through generative exploration it stakes claims on mineral properties, or acquires the property by way of an option to lease agreement, and then seeks a joint venture partner to fund the exploration of the project to earn an interest. In some agreements Miranda receives common stock and/or cash option payments as a portion of the cost to earn an interest in the project.

The Company records management fees earned for acting as a service contractor to certain exploration funding partners as an offset to expenses. Mineral property option proceeds from properties where all acquisition costs have been recovered further reduce expenses. The Company does not anticipate mining revenues from the sale of mineral production in the foreseeable future. The operations of the Company consist of the exploration and evaluation of mining properties and as such the Company's financial success will be dependent on the extent to which it can discover new mineral deposits. The Company anticipates seeking additional equity investment from time to time to fund its activities that cannot be funded through other means.

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Aug 31 2012 IFRS $	May 31 2012 IFRS $	Feb 28 2012 IFRS $	Nov 30 2011 IFRS $	Aug 31 2011 IFRS $	May 31 2011 IFRS $	Feb 28 2011 IFRS $	Nov 30 2010 IFRS $
Revenue	nil	nil	nil	nil	nil	nil	nil	nil
Loss for the period	(1,110,058)	(758,125)	(742,117)	(1,027,737)	(733,502)	(894,036)	(702,633)	(1,367,832)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.03)

Miranda began the fourth quarter of the 2012 fiscal year with cash of $5,877,911. During the three months ended August 31, 2012, the Company expended $844,211 on operating activities and expended $76,997 on investing activities and the negative effect of $1,359 from foreign exchange on cash, to end on August 31, 2012, with $4,955,344 in cash.

Miranda began the 2012 fiscal year with cash of $7,636,663. During the year ended August 31, 2012, the Company expended $2,585,875 on operating activities and $123,835 on investing activities and raised $29,750 on financing activities, and the negative effect of $1,359 from foreign exchange on cash to end on August 31, 2012, with $4,955,344 in cash.

As at November 30, 2012, there were 8,007,000 stock options outstanding pursuant to the 2006 Plan none of which were "in-the-money" (TSX.V closing price November 30, 2012 was $0.25). In addition, as at November 30, 2012, there were 100,000 share purchase warrants none of which were "in-the-money".

Authorized: an unlimited number of common shares without par value	**Common Shares Issued and Outstanding**	**Common Share Purchase Warrants**	**Stock Options**
Outstanding August 31, 2012	53,074,452	1,200,000	6,587,000
Stock options granted	-	-	1,575,000
Stock options expired unexercised	-	-	(155,000)
Share purchase warrants expired unexercised	-	(1,100,000)	-
Outstanding at November 30, 2012	53,074,452	100,000	8,007,000

The Company has sufficient cash to meet its obligations as they come due.

C. Research and Development, Patents and Licenses

As Miranda is a mineral exploration company with no producing properties, the information required by this item is inapplicable.

D. Trend Information

Trends that are considered by Miranda to be reasonably likely to have a material effect on our results of operations are discussed above under "Operating Results" in Item A and "Liquidity and Capital Resources" in Item B. Further, we consider that our ability to raise additional funding in order to complete our exploration programs and the plan of operations for its mineral properties for the current fiscal year and beyond will be impacted by prevailing prices for metals. As a mineral resource exploration company, the interest in Miranda's stock, and our ability to raise financing and conduct work programs, has been cyclical as it is related to metal prices that, traditionally, have been cyclical in nature. If the global demand for gold decreases and gold prices decrease, it could adversely impair Miranda's ability to raise financing and advance the exploration of our mineral properties.

The Company is a mineral exploration company. At this time, any issues of seasonality or market fluctuations have no material impact other than our ability to raise additional equity capital on terms that are acceptable to the Company. The Company currently defers its mineral property acquisition costs. The Company expenses its exploration and project investigation and general and administration costs and these amounts are included in the net loss for each quarter. The Company's treasury, in part, determines the level of exploration undertaken.

E. Off-Balance Sheet Arrangements

Miranda does not have any off-balance sheet arrangements.

F. Tabular Disclosure of Contractual Obligations

The following table outlines the current contractual obligations of Miranda as at August 31, 2012:

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term Debt Obligations	$ -	$ -	$ -	$ -	$ -
Capital Lease Obligations	$ -	$ -	$ -	$ -	$ -
Operating Lease Obligations	$ -	$ -	$ -	$ -	$ -
Purchase Obligations	$ -	$ -	$ -	$ -	$ -
Other Long-term Liabilities	$ -	$ -	$ -	$ -	$ -

G. Safe Harbor

Certain statements contained in the foregoing Operating Results and elsewhere in this Annual Report on Form 20-F constitutes forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Miranda to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Risk factors that could affect our future results include, but are not limited to, risks inherent in mineral exploration activities and other operating and development risks, no revenue from commercial operations, no assurance that any of our mineral properties possess commercially mineable bodies of ore, financial risk, shareholder dilution from additional equity financings, competition, environmental regulations, changes to reclamation requirements, volatility and sensitivity to market prices for precious and base metals, the impact of changes in foreign currencies' exchange rates, political risk, changes in government regulation and policies including trade laws and policies, demand for precious and base metals, and receipt of permits and approvals from governmental authorities.

MIRANDA GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended August 31, 2012, 2011 and 2010

(Stated in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Miranda Gold Corp.

We have audited the accompanying consolidated financial statements of Miranda Gold Corp., which comprise the consolidated statements of financial position as at August 31, 2012, August 31, 2011 and September 1, 2010 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and with the standards of the Public Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Miranda Gold Corp. as at August 31, 2012, August 31, 2011 and September 1, 2010 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

December 11, 2012

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Telephone (604) 687-0947 Fax (604) 687-6172

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian dollars)

	Note	**August 31, 2012**	August 31, 2011 (Note 19)	September 1, 2010 (Note 19)
ASSETS				
Current				
Cash	*4*	**$ 4,955,344**	$ 7,636,663	$ 10,298,439
Amounts receivable	*5*	**160,530**	477,751	103,324
Marketable securities	*6 & 14*	**286,500**	378,300	139,500
Advances and prepaid expenses	*7*	**79,929**	101,002	123,919
		5,482,303	8,593,716	10,665,182
Property, plant and equipment	*8*	**259,175**	201,077	145,410
Exploration and evaluation assets	*9*	**148,402**	277,413	541,231
		$ 5,889,880	$ 9,072,206	$ 11,351,823
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	*10*	**$ 232,792**	$ 178,392	$ 199,393
Shareholders' equity				
Share capital	*11*	**26,591,533**	26,502,488	25,839,086
Share-based reserve		**6,206,343**	5,760,250	5,231,112
Warrant reserve		**2,181,093**	2,170,124	1,973,539
Foreign exchange reserve		**5,099**	(14,102)	-
Accumulated other comprehensive income (loss)		**(65,133)**	98,864	34,500
Deficit		**(29,261,847)**	(25,623,810)	(21,925,807)
		5,657,088	8,893,814	11,152,430
		$ 5,889,880	$ 9,072,206	$ 11,351,823
Nature of operations	*1*			
Subsequent events	*9 & 18*			

Approved for issue by the Board of Directors on December 11, 2012.

They are signed on the Company's behalf by:

"Kenneth Cunningham"
Kenneth Cunningham, Director

"G. Ross McDonald"
G. Ross McDonald, Director

The accompanying notes form an integral part of these consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian dollars)

		Year ended August 31,	
		2012	2011
	Note		Note 19
Expenses			
Consulting		**$ 109,987**	$ 124,321
Depreciation		**87,492**	72,768
Directors fees		**30,319**	32,129
Exploration and evaluation expenditures	*9*	**1,449,857**	1,350,487
Exploration and evaluation recoveries		**(9,400)**	(40,914)
Foreign exchange		**5,056**	53,608
Insurance		**37,968**	41,575
Investor relations		**220,966**	204,499
Management fees earned		**(4,706)**	(3,123)
Office rent, telephone, secretarial, sundry		**201,109**	190,850
Professional fees		**92,586**	80,398
Share-based compensation	*11*	**459,188**	591,854
Travel and business promotion		**122,780**	123,044
Transfer agent, filing and regulatory fees		**48,067**	56,400
Wages and benefits		**768,447**	733,037
		(3,619,716)	(3,610,933)
Interest earned		**84,964**	105,736
Write-off of exploration and evaluation assets	*9*	**(86,465)**	(206,929)
Loss on disposal of equipment		**(2,697)**	-
		(4,198)	(101,193)
Loss before income taxes		**(3,623,914)**	(3,712,126)
Deferred income tax (expense) recovery	*17*	**(14,123)**	14,123
Loss for the year		**(3,638,037)**	(3,698,003)
Unrealized gain (loss) on marketable securities, net of tax effect		**(163,997)**	64,364
Foreign currency translation differences for foreign operations		**19,201**	(14,102)
Comprehensive loss for the year		**$ (3,782,833)**	$ (3,647,741)
Basic and diluted loss per common share		**$ (0.07)**	$ (0.07)
Weighted average number of common shares outstanding		**52,927,922**	52,435,384

The accompanying notes form an integral part of these consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in Canadian dollars)

	Year ended August 31,	
	2012	2011 Note 19
Cash provided from (used for):		
Operating activities		
Loss for the year	**$ (3,638,037)**	$ (3,698,003)
Items not affecting cash:		
Depreciation	**87,492**	72,768
Deferred income tax recovery (expense)	**14,123**	(14,123)
Unrealized foreign exchange loss	**18,903**	16,816
Write-off of exploration and evaluation assets	**86,465**	206,929
Shares received as exploration and evaluation recoveries	**(9,400)**	(29,334)
Share-based compensation	**459,188**	591,854
Loss on disposal of equipment	**2,697**	-
	(2,978,569)	(2,853,093)
Change in non-cash working capital items:		
Amounts receivable	**317,221**	(221,573)
Advances and prepaid expenses	**21,073**	22,917
Accounts payable and accrued liabilities	**54,400**	(21,001)
	(2,585,875)	(3,072,750)
Investing activities		
Exploration and evaluation asset expenditures	**(6,018)**	(83,273)
Exploration and evaluation asset recoveries	**30,378**	12,764
Property, plant and equipment purchases	**(148,195)**	(138,703)
	(123,835)	(209,212)
Financing activities		
Shares issued	**29,750**	627,750
Share issue costs	**-**	(4,071)
	29,750	623,679
Effect of foreign exchange on cash	**(1,359)**	(3,493)
Decrease in cash	**(2,681,319)**	(2,661,776)
Cash, beginning of the year	**7,636,663**	10,298,439
Cash, end of the year	**$ 4,955,344**	$ 7,636,663

Supplementary disclosure with respect to cash flows – Note 16

The accompanying notes form an integral part of these consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian dollars)

			Reserves		Other Comprehensive Income			
	Number of Shares	Share Capital	Share-based Reserve	Warrant Reserve	Foreign Exchange Reserve	Unrealized gains / losses on marketable securities, net of tax	Deficit	**Total Shareholders' Equity**
Balance, September 1, 2010	**51,279,452**	**$ 25,839,086**	**$ 5,231,112**	**$ 1,973,539**	**$ -**	**$ 34,500**	**$ (21,925,807)**	**$ 11,152,430**
Share issues:								
Private placement	1,000,000	343,007	-	156,993	-	-	-	500,000
Share issue costs	-	(4,071)	-	-	-	-	-	(4,071)
Exercise of stock options	320,000	190,466	(62,716)	-	-	-	-	127,750
Fair value of share purchase warrants issued pursuant to a joint venture agreement	-	-	-	39,592	-	-	-	39,592
Fair value of shares issued pursuant to a joint venture agreement	250,000	134,000	-	-	-	-	-	134,000
Share-based compensation	-	-	591,854	-	-	-	-	591,854
Comprehensive loss for the year	-	-	-	-	(14,102)	64,364	(3,698,003)	(3,647,741)
Balance, August 31, 2011	**52,849,452**	**26,502,488**	**5,760,250**	**2,170,124**	**(14,102)**	**98,864**	**(25,623,810)**	**8,893,814**
Share issues:								
Exercise of stock options	85,000	42,845	(13,095)	-	-	-	-	29,750
Fair value of share purchase warrants issued pursuant to a joint venture agreement	-	-	-	10,969	-	-	-	10,969
Fair value of shares issued pursuant to a joint venture agreement	140,000	46,200	-	-	-	-	-	46,200
Share-based compensation	-	-	459,188	-	-	-	-	459,188
Comprehensive loss for the year	-	-	-	-	19,201	(163,997)	(3,638,037)	(3,782,833)
Balance, August 31, 2012	**53,074,452**	**$ 26,591,533**	**$ 6,206,343**	**$ 2,181,093**	**$ 5,099**	**$ (65,133)**	**$ (29,261,847)**	**$ 5,657,088**

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Miranda Gold Corp. ("Miranda" or the "Company") is a publicly-traded company incorporated under the laws of the Province of British Columbia, Canada. The Company's shares are listed on the TSX Venture Exchange ("TSX-V"). The corporate office of the Company is Unit 1 - 15782 Marine Drive, White Rock, B.C., V4B 1E6. The Company is engaged in the identification, acquisition, exploration and, if warranted, development of exploration and evaluation assets in the United States and Colombia. The consolidated financial statements of the Company as at and for the year ended August 31, 2012, comprise the Company and its subsidiaries. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for exploration and evaluation is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties.

The Company will periodically have to raise additional funds to continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The operations of the Company will require various licenses and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. Management believes that the Company's cash on hand at August 31, 2012, is sufficient to finance exploration activities and operations through the next twelve months. The Company's ability to continue on a going concern basis beyond the next twelve months depends on its ability to successfully raise additional financing for the substantial capital expenditures required to achieve planned principal operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PRESENTATION

a) Statement of compliance

The Canadian Accounting Standards Board announced that January 1, 2011, was the changeover date for publicly-listed companies to use International Financial Reporting Standards ("IFRS"), replacing Canada's own Generally Accepted Accounting Principles ("Canadian GAAP").

These consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

2. BASIS OF PRESENTATION *(continued)*

a) Statement of compliance *(continued)*

Prior to the adoption of IFRS, the Company's financial statements were prepared in accordance with Canadian GAAP. As these financial statements are the Company's first annual financial statements prepared in accordance with IFRS, disclosure of the elected transition exemptions and reconciliation of accounting policy differences compared to Canadian GAAP have been provided in Note 19.

The comparative figures presented in these financial statements are in accordance with IFRS.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

The presentation currency of the Company is the Canadian dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") and has been determined for each entity within the Company. The functional currency of Miranda Gold Corp., the parent company, is the Canadian dollar and the functional currency of the Company's US subsidiary, Miranda Gold USA Inc., is the United States dollar. The functional currency of the Company's Canadian subsidiaries, Miranda Gold Colombia I, II, IV, and V Ltd., is the Canadian dollar, the functional currency of Rovira Mining Limited (renamed from Miranda Gold Colombia III Ltd.) is the Canadian dollar, and the functional currency of all of the Colombian Branch operations is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>Estimated useful lives of property, plant and equipment</u>

The estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position will impact the amount and timing of the related depreciation included in operations.

2. BASIS OF PRESENTATION *(continued)*

d) Use of estimates and judgments *(continued)*

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

In accordance with IAS 21, management determined that the functional currency of the Company, its Canadian subsidiaries, and its Colombian branch operations is the Canadian dollar, while the functional currency of its US subsidiary, Miranda Gold USA Inc., is the US dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries and branch operations. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Principles of consolidation *(continued)*

Name of subsidiary	Place of incorporation	Proportion of ownership interest	Principal activity
Miranda Gold U.S.A., Inc.	State of Nevada	100%	Mineral exploration company
Miranda Gold Colombia I Ltd.	Province of British Columbia	100%	Holding company
Miranda Gold Colombia II Ltd.	Province of British Columbia, with branch office in Colombia	100%	Mineral exploration company
Rovira Mining Limited	Province of British Columbia, with branch office in Colombia	30%	Mineral exploration company
Miranda Gold Colombia IV Ltd.	Province of British Columbia, with branch office in Colombia	30%	Mineral exploration company
Miranda Gold Colombia V Ltd.	Province of British Columbia, with branch office in Colombia	100%	Mineral exploration company

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions in the financial statements of each entity in the Company.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in operations.

On consolidation, for subsidiaries with functional currencies other than Canadian dollars, the assets and liabilities are translated into Canadian dollars using the period-end rate and the operations and cash flows are translated using the average rates of exchange. Exchange adjustments arising when the opening net assets and the profit or loss are translated into Canadian dollars are taken into a separate component of equity and reported in other comprehensive profit or loss.

Property, plant and equipment (“PPE”)

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized in operations on a either a declining balance basis or straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment, the choice dependant on which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are from three to five years commencing from the year the assets are put into service.

Where an item of PPE is composed of major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation assets and expenditures

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred.

Expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be transferred to PPE and amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period such determination is made.

The Company assesses exploration and evaluation assets for impairment at each reporting date and when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

A liability is recognized for legal obligations relating to the restoration, rehabilitation and retirement of property, plant and equipment obligations arising from the acquisition, construction, development or normal operation of those assets. Such decommissioning liabilities are recognized at fair value, when a reasonable estimate of fair value can be made, in the period in which the liability is incurred. A corresponding increase to the carrying amount of the related asset where one is identifiable is recorded and amortized over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the year is expensed. The amount of the liability is subject to re-measurement at each reporting period. The estimates are based principally on legal and regulatory requirements.

It is possible that the Company's estimate of its ultimate reclamation liabilities could change as a result of changes in regulations; the extent of environmental remediation required or completed and the means of reclamation or changes in cost estimates. Changes in estimates are accounted for prospectively commencing in the period the estimate is revised.

The Company has no material restoration, rehabilitation and environmental obligations as any environmental disturbance to date has been minimal.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment *(continued)*

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in operations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in operations.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. The Company has not recorded any provisions for any financial year presented.

Financial assets

(i) Financial assets at fair value through profit and loss ("FVTPL")

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Assets in this category include cash and advances.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in operations. Attributable transaction costs are recognized in operations when incurred.

(ii) Financial assets available for sale ("AFS")

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost. Assets in this category include marketable securities.

Financial assets AFS are initially recognized, and subsequently carried at fair value with changes recognized in OCI. Attributable acquisition transaction costs, if any, are recognized in the initial fair value.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include amounts receivable.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(iii) Loans and receivables *(continued)*

The effective interest method is used to determine the amortized cost of loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

(iv) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding amounts receivable, is directly reduced by the impairment loss. The carrying amount of receivables is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in operations.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through operations to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(v) De-recognition of financial assets

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in operations.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in operations in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities and equity *(continued)*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The Company has classified accounts payable and accrued liabilities as other financial liabilities.

Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Warrants

The Company accounts for warrants using the relative fair value method. Under this method, the value of warrants issued is measured at fair value at the issue date using the Black-Scholes valuation model and recorded as share capital if and when the warrants are exercised.

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the operations attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

In the Company's case, diluted loss per share is the same as basic loss per share, as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

Share-based compensation

The stock option plan allows Company directors, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based reserve to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

Accumulated other comprehensive income

Accumulated other comprehensive income consists of the net income and other comprehensive income ("OCI"). The Company financial statements include a Statement of Loss and Comprehensive Loss, which includes the components of comprehensive income.

For the Company, OCI is comprised of unrealized gains or losses on available for sale financial assets, and foreign currency translation differences for foreign operations, both of which are presented within the shareholders' equity section of the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of August 31, 2012, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material effect on the financial statements of the Company.

i. Effective for annual periods beginning on or after July 1, 2012

   Amendments to IAS 1 *Presentation of Financial Statements*

   To require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit and loss. The amendments also reaffirm existing requirements that items in OCI and profit and loss should be presented as either a single statement or two consecutive statements.

ii. Effective for annual periods beginning on or after January 1, 2013

   Amendments to IAS 27 and IAS 28 *Separate Financial Statements and Investments in Associates and Joint Ventures*

   Addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10, 11, 12, and 13.

(Stated in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

New standards, interpretations and amendments not yet effective *(continued)*

ii. Effective for annual periods beginning on or after January 1, 2013 (continued)

Amendments to IFRS 7 *Financial Instruments; Disclosures* and IAS 32 *Financial Instruments Presentation*

The IASB published amendments to IFRS 7 (eff. Jan. 1, 2013) and IAS 32 (eff. Jan. 1, 2014), the standards that address disclosure and presentation requirements for financial instruments, respectively, related to offsetting financial assets and liabilities, while the criteria required for offsetting do not change.

New standard IFRS 10 *Consolidated Financial Statements*

Provides a new single consolidation model that identifies control as the basis for consolidation for all types of entities, and replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

New standard IFRS 11 *Joint Arrangements*

Improves the accounting for joint arrangements by introducing a principle-based approach that requires a party to a joint arrangement to recognize its rights and obligations arising from the arrangement. Such a principle-based approach will provide users with greater clarity about an entity's involvement in its joint arrangements by increasing the verifiability, comparability and understandability of the reporting of these arrangements. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities-Non-Monetary Contributions by Venturers*.

New standard IFRS 12 *Disclosure of Interests in Other Entities*

Combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

New standard IFRS 13 *Fair Value Measurement*

Defines fair value and sets out a framework for measuring fair value and disclosures about fair value measurements. It applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value.

iii. Effective for annual periods beginning on or after January 1, 2015

New standard IFRS 9 *Financial Instruments*

Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost, and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards could have on future financial statements.

4. CASH

		As at August 31, 2012		As at August 31, 2011		As at September 1, 2010
Canadian dollar denominated deposits	**$**	**4,859,948**	$	7,287,334	$	9,962,252
US dollar denominated deposits		**43,478**		270,738		171,538
Colombian Peso denominated deposits		**51,918**		78,591		164,649
Total	**$**	**4,955,344**	$	7,636,663	$	10,298,439

(Stated in Canadian dollars)

5. AMOUNTS RECEIVABLE

	As at August 31, 2012	As at August 31, 2011	As at September 1, 2010
Amounts due from the Government of Canada pursuant to HST input tax credits	**$ 7,556**	$ 10,467	$ 6,197
Amounts due from funding partners	**124,739**	403,646	72,266
Amounts due from Canadian financial institutions for accrued interest	**27,267**	36,775	15,003
Other amounts receivable	**968**	26,863	9,858
Total	**$ 160,530**	$ 477,751	$ 103,324

6. MARKETABLE SECURITIES

At August 31, 2012, the Company had the following marketable securities recognized at fair value:

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains (losses)	**Fair Value at August 31, 2012**
Publicly traded companies:				
Enertopia Corp. ("Enertopia")	125,000	$ -	$ 7,500	**$ 7,500**
NuLegacy Gold Corporation ("NuLegacy")	250,000	50,313	(15,313)	**35,000**
Red Eagle Mining Corporation ("Red Eagle")	470,000	261,320	(38,320)	**223,000**
Teslin River Resources Corp. ("Teslin River")	300,000	-	6,000	**6,000**
White Bear Resources Inc. ("White Bear")	200,000	40,000	(25,000)	**15,000**
		$ 351,633	$ (65,133)	**$ 286,500**

At August 31, 2011, the Company had the following marketable securities recognized at fair value:

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains (losses)	Fair Value at August 31, 2011
Publicly traded companies:				
Enertopia	125,000	$ -	$ 12,500	$ 12,500
NuLegacy	250,000	50,313	(14,313)	36,000
Red Eagle	300,000	175,000	105,800	280,800
Teslin River	300,000	-	27,000	27,000
White Bear	200,000	40,000	(18,000)	22,000
Tax effect of gains (losses)	-	-	(14,123)	-
		$ 265,313	$ 98,864	$ 378,300

(Stated in Canadian dollars)

6. MARKETABLE SECURITIES *(continued)*

At September 1, 2010, the Company had the following marketable securities recognized at fair value:

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains (losses)	Fair Value at September 1, 2010
Publicly traded companies:				
Enertopia	125,000	$ -	$ 37,500	$ 37,500
White Bear	200,000	40,000	(18,000)	22,000
		40,000	19,500	59,500
Privately held companies:				
NuLegacy	200,000	40,000	-	40,000
Red Eagle	100,000	25,000	-	25,000
Teslin River	300,000	-	15,000	15,000
		65,000	15,000	80,000
		$ 105,000	$ 34,500	$ 139,500

In the year ended August 31, 2012, the Company recorded $178,120 in net unrealized losses and a deferred income tax recovery on its marketable securities of $14,123 in OCI as follows:

Available-for-sale Securities	Fair Value at August 31, 2011	Acquisitions at cost	Unrealized holding gains (losses)	Deferred income tax recovery (expense)	**Fair Value at August 31, 2012**
Enertopia	$ 12,500	$ -	$ (5,000)	$ -	**$ 7,500**
NuLegacy	36,000	-	(1,000)	-	**35,000**
Red Eagle	280,800	86,320	(144,120)	-	**223,000**
Teslin River	27,000	-	(21,000)	-	**6,000**
White Bear	22,000	-	(7,000)	-	**15,000**
Tax effect of gains (losses)	-	-	-	14,123	**-**
	$ 378,300	$ 86,320	$ (178,120)	$ 14,123	**$ 286,500**

As at August 31, 2011, the Company had recorded $14,123 as the deferred income tax effect of the accumulated unrealized gains in OCI. As at August 31, 2012, this deferred income tax effect was reversed as a deferred income tax adjustment recorded in OCI.

(Stated in Canadian dollars)

7. ADVANCES AND PREPAID EXPENSES

	As at August 31, 2012	As at August 31, 2011	As at September 1, 2010
Advances held by employees in the USA	**$ 3,943**	$ 9,794	$ 12,798
Advances held by related parties in the USA	**-**	3,918	4,266
Advances held by employees and suppliers in Colombia	**19,207**	10,818	53,742
	23,150	24,530	70,806
Prepaid expenses in Canada	**43,555**	73,853	53,113
Prepaid expenses in the USA	**3,170**	-	-
Prepaid expenses in Colombia	**10,054**	2,619	-
Total	**$ 79,929**	$ 101,002	$ 123,919

8. PROPERTY, PLANT and EQUIPMENT

	Canada	United States			Colombia		**TOTAL**
	Computer Equipment	Computer Equipment	Furniture and fixtures	Field equipment	Computer Equipment	Field equipment	
Cost							
At September 1, 2010	$ 23,146	$ 122,706	$ 16,876	$ 196,988	$ 8,467	$ -	$ 368,183
Assets acquired	-	67,628	-	382	27,594	43,099	138,703
Foreign exchange adjustment	-	(9,452)	(1,378)	(16,103)	-	-	(26,933)
At August 31, 2011	23,146	180,882	15,498	181,267	36,061	43,099	479,953
Assets acquired	-	14,928	-	69,055	26,670	37,542	148,195
Assets disposed of	-	(4,886)	-	(24,536)	-	-	(29,422)
Foreign exchange adjustment	-	929	99	(694)	-	-	334
At August 31, 2012	$ 23,146	$ 191,853	$ 15,597	$ 225,092	$ 62,731	$ 80,641	$ 599,060
Accumulated depreciation							
At September 1, 2010	$ 18,275	$ 81,788	$ 9,689	$ 111,751	$ 1,270	$ -	$ 222,773
Depreciation for the period	1,381	38,520	1,333	19,812	6,335	5,387	72,768
Foreign exchange adjustment	-	(6,537)	(804)	(9,324)	-	-	(16,665)
At August 31, 2011	19,656	113,771	10,218	122,239	7,605	5,387	278,876
Depreciation for the period	979	39,209	1,088	17,514	14,606	14,096	87,492
Assets disposed of	-	(4,378)	-	(22,345)	-	-	(26,723)
Foreign exchange adjustment	-	(185)	40	385	-	-	240
At August 31, 2012	$ 20,635	$ 148,417	$ 11,346	$ 117,793	$ 22,211	$ 19,483	$ 339,885
Carrying amounts							
At September 1, 2010	$ 4,871	$ 40,918	$ 7,187	$ 85,237	$ 7,197	$ -	$ 145,410
At August 31, 2011	$ 3,490	$ 67,111	$ 5,280	$ 59,028	$ 28,456	$ 37,712	$ 201,077
At August 31, 2012	**$ 2,511**	**$ 43,436**	**$ 4,251**	**$ 107,299**	**$ 40,520**	**$ 61,158**	**$ 259,175**

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS

Exploration and evaluation assets deferred to the statement of financial position at August 31, 2012, and 2011 are as follows:

	September 1, 2010	Additions	Recoveries	Effect of movement in exchange rates	Write off of interest	August 31, 2011	Additions	Recoveries	Effect of movement in exchange rates	Write off of interest	**August 31, 2012**
Nevada:											
Angel Wing	$ 35,262	$ -	$ -	$ (2,880)	$ -	$ 32,382	$ -	$ -	$ 208	$ -	**$ 32,590**
Big Blue	-	-	-	-	-	-	-	-	-	-	**-**
Coal Canyon	10,665	-	(9,714)	(951)	-	-	-	-	-	-	**-**
East Spruce	-	5,042	-	(207)	-	4,835	-	-	31	-	**4,866**
Fuse	-	-	-	-	-	-	6,018	-	(23)	-	**5,995**
HOG	1,682	-	-	(137)	-	1,545	-	-	9	-	**1,554**
Iron Point	34,719	16,113	-	(3,111)	-	47,721	-	-	307	-	**48,028**
Red Canyon	-	-	-	-	-	-	-	-	-	-	**-**
Red Hill	-	-	-	-	-	-	-	-	-	-	**-**
Redlich	16,453	-	-	(1,344)	-	15,109	-	-	97	-	**15,206**
Rook	-	6,623	-	(102)	-	6,521	-	-	42	-	**6,563**
TAZ	12,970	-	(12,764)	(206)	-	-	-	-	-	-	**-**
	111,751	27,778	(22,478)	(8,938)	-	108,113	6,018	-	671	-	**114,802**
Alaska:											
Ester Dome	68,277	39,592	(30,639)	(5,850)	-	71,380	10,969	(30,378)	894	(52,865)	**-**
	180,028	67,370	(53,117)	(14,788)	-	179,493	16,987	(30,378)	1,565	(52,865)	**114,802**
Colombia:											
Anori	41,353	17,499	-	-	(58,852)	-	-	-	-	-	**-**
Cajamarca	97,829	17,499	(66,368)	-	-	48,960	6,600	(21,960)	-	-	**33,600**
Fresno	60,652	17,499	(29,191)	-	-	48,960	6,600	(21,960)	-	(33,600)	**-**
Ibague	58,117	17,499	(26,656)	-	(48,960)	-	-	-			**-**
Pavo Real	21,634	102,000	(123,634)	-	-	-	33,000	(33,000)	-	-	**-**
Santander	81,618	17,499	-	-	(99,117)	-	-	-	-	-	**-**
	361,203	189,495	(245,849)	-	(206,929)	97,920	46,200	(76,920)	-	(33,600)	**33,600**
	$ 541,231	$ 256,865	$ (298,966)	$ (14,788)	$ (206,929)	$ 277,413	$ 63,187	$ (107,298)	$ 1,565	$ (86,465)	**$ 148,402**

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

Exploration and evaluation expenditures recorded in the consolidated statements of loss and comprehensive loss for the years ended August 31, 2012, and 2011 are as follows:

	Year ended August 31, 2012			Year ended August 31, 2011		
	Exploration Expenditures	Recoveries from funding partners	**Net Exploration Expenditures**	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:						
Angel Wing	$ 233,894	$ (233,440)	**$ 454**	$ 251,471	$ (251,471)	$ -
Big Blue	84,797	(69,143)	**15,654**	177,741	(177,741)	-
Coal Canyon	51,312	(49,051)	**2,261**	33,159	(32,367)	792
East Spruce	22,182	-	**22,182**	34,980	-	34,980
FUSE	30,193	-	**30,193**	3,481	-	3,481
General exploration	380,129	-	**380,129**	332,813	-	332,813
HOG	26,442	-	**26,442**	3,279	-	3,279
Iron Point	109,245	-	**109,245**	68,536	-	68,536
PPM / Poverty Peak	7,295	-	**7,295**	39,115	-	39,115
Red Canyon	2,504	(2,504)	**-**	2,850	(2,850)	-
Red Hill	68,287	(68,287)	**-**	60,804	(60,804)	-
Redlich	36,694	-	**36,694**	2,022	-	2,022
Rook	25,954	-	**25,954**	25,170	-	25,170
TAZ	608	(154)	**454**	4,973	(2,893)	2,080
	1,079,536	(422,579)	**656,957**	1,040,394	(528,126)	512,268
Alaska:						
Ester Dome	63,272	(61,347)	**1,925**	139,943	(72,102)	67,841
Colombia:						
Property investigation costs	790,975	-	**790,975**	770,378	-	770,378
Pavo Real	-	-	**-**	5,575	(5,575)	-
Property exploration costs	$ 1,933,783	$ (483,926)	**$ 1,449,857**	$ 1,956,290	$ (605,803)	$ 1,350,487

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

a) Angel Wing Property, Elko County, Nevada

The Company holds claims comprising the Angel Wing property, Elko County, Nevada.

On October 17, 2005, as amended, the Company entered into a 20-year mining lease for 30 mining claims with a private party with a sliding scale net smelter return royalty ("NSR") between 2% to 4% depending on the price of gold, with minimum advance royalty payments. The Company has the option to buy up to two percentage points of the royalty for US$1,000,000 per percentage point. However, the royalty shall never drop below 1% regardless of the price of gold.

Mining Lease Due dates	Minimum advance royalty payments to Lessor US$
Previously paid	275,000
October 17, 2011 (paid)	75,000
October 17, 2012 (paid subsequently)	85,000
October 17, 2013	85,000
October 17, 2014 (and each year thereafter)	85,000

The Angel Wing project was the subject of an exploration and option to enter into a joint venture agreement with White Bear from May 15, 2007, until it was terminated on July 2, 2010.

On September 17, 2010, the Company signed an exploration and option to enter into a joint venture agreement with Ramelius Resources Ltd. ("Ramelius") and Ramelius paid the Company $12,583 (US$12,180). Ramelius may earn a 70% interest by expending US$4,000,000 over five years (the "Initial Earn-in"). Once Ramelius has completed the Initial Earn-In, it shall have the option to exercise the right to earn a vested 70% interest in Angel Wing by either funding 100% of the costs required to complete a bankable feasibility study within four years after completing the Initial Earn-In or by spending an additional US$10,000,000 within 10 years after completing the Initial Earn-In. If Ramelius elects not to exercise that right, but completes the initial earn-in, it shall be entitled to an NSR royalty of 1% to be capped at two times its total expenditures.

Due Dates	Exploration Expenditures US$
September 17, 2011 (met)	350,000
September 17, 2012 (met subsequently)	750,000
September 17, 2013	900,000
September 17, 2014	1,000,000
September 17, 2015	1,000,000
Total expenditure	**4,000,000**

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

b) Big Blue (Oxen), Lander County, Nevada

The Company holds claims comprising the Big Blue property, Lander County, Nevada.

On August 13, 2009, the Company entered into a 20-year mining lease for mining claims with a private party, with an NSR royalty of 3% that is subject to certain buy-down provisions, with minimum advance royalty payments to be completed on the following schedule:

Mining Lease Due Dates	Minimum advance royalty payments to Lessor US$
Paid previously	22,500
August 13, 2012 (paid)	15,000
August 13, 2013	17,500
August 13, 2014 (and each year thereafter)	30,000

The Big Blue project was the subject of an exploration and option to enter into a joint venture agreement with Ramelius from May 6, 2010, until it was terminated on July 29, 2012.

c) Coal Canyon Properties, Eureka County, Nevada

On May 27, 2004, the Company entered into a 20-year mining lease for the Coal Canyon property with Nevada North Resources (USA) Inc. (“Nevada North”), with a sliding-scale NSR royalty between 2.5% to 5% depending on the price of gold and subject to certain buy-down provisions to 2%, with minimum advance royalty payments to be completed on the following schedule:

Mining Lease Due Dates	Minimum advance royalty payments to Lessor US$
Paid previously	96,250
May 27, 2012 (paid)	30,000
May 27, 2013	40,000
May 27, 2014	40,000
May 27, 2015 - $50,000 and each year thereafter to be adjusted for inflation per the USA CPI	50,000

The Coal Canyon project was the subject of an exploration and option to enter into a joint venture agreement with Queensgate Resources Corporation from March 11, 2008, until it was terminated on August 2, 2010.

On December 20, 2010, NuLegacy and the Company signed an amendment to the Red Hill exploration agreement with option to joint venture, adding the Coal Canyon property. As consideration for this amendment, NuLegacy issued to the Company an additional 50,000 common shares which were valued at $10,313 (US$10,647). Refer to Note 9(k) for the combined exploration expenditures required under the amended agreement.

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

d) East Spruce Property, Elko County, Nevada

During the year ended August 31, 2011, the Company staked claims comprising the East Spruce property at a cost of $5,042.

e) Ester Dome Property, Fairbanks Mining District, Alaska

The Ester Dome project was the subject of an exploration and option to enter into a joint venture agreement with Agnico-Eagle (USA) Limited ("Agnico") from October 1, 2010, until it was terminated on September 25, 2012. On the same date, the Company terminated the underlying lease with Range Minerals Inc., and wrote off the remaining carrying value of $52,865.

f) Fuse Property, Eureka County, Nevada

The Company holds claims comprising the Fuse property, Eureka County, Nevada. During the year ended August 31, 2012, the Company staked additional claims comprising the Fuse property at a cost of $6,018.

g) HOG Property, Eureka County, Nevada

The Company holds claims comprising the HOG property, Eureka County, Nevada.

h) Iron Point Property, Humboldt County, Nevada

The Company holds claims comprising the Iron Point property, Humboldt County, Nevada.

i) PPM (Poverty Peak), Humboldt County, Nevada

The Company held claims comprising the PPM property, Humboldt County, Nevada, but allowed them to lapse in September 2012.

j) Red Canyon Property, Eureka County, Nevada

On November 18, 2003, the Company entered into a 20-year mining lease for the Red Canyon property with a $1,000 purchase option on issue of 75,000 share purchase warrants and with minimum advance royalty payments to be completed on the following schedule. The owner retains a sliding scale NSR royalty between 3% and 5% depending on the price of gold. Upon completion of a bankable feasibility study the Company has the option to buy two percentage points of the NSR for US$1,000,000 per percentage point.

Mining Lease Due Dates	Minimum advance royalty payments to Lessor US$	Two year share purchase warrants to be issued to Lessor
Previously paid and issued	350,000	75,000 @ Cdn$0.37
November 18, 2011 (paid)	75,000	-
November 18, 2012 (paid subsequently)	75,000	-
November 18, 2013	100,000	-
November 18, 2014 to 2023 at $100,000 per year (subject to inflation adjustment beginning in 2019)	100,000	-

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

j) Red Canyon Property, Eureka County, Nevada *(continued)*

On August 1, 2008, the Company signed an exploration and option to enter into a joint venture agreement with Montezuma Mines Inc. ("Montezuma"), a subsidiary of CMQ Resources Inc. Montezuma may earn a 60% interest in the Red Canyon property by funding US$4,000,000 in qualified expenditures over a five-year period. Montezuma may then elect to earn an additional 10% interest by completing a bankable feasibility study within four years of election with minimum annual expenditures of US$1,500,000 or by funding US$10,000,000 in additional exploration within 10 years.

Due Dates	Exploration Expenditures US$
August 1, 2009 (met)	500,000
August 1, 2010 (met)	500,000
August 1, 2011 (met)	750,000
August 1, 2012 (met)	1,000,000
August 1, 2013	1,250,000
Total expenditure	**4,000,000**

k) Red Hill Property, Eureka County, Nevada

On May 27, 2004, the Company entered into a 20-year mining lease for the Red Hill property with Nevada North, with a sliding production royalty between 2.5% to 5% depending on the price of gold and subject to certain buy-down provisions to 2%, with minimum advance royalty payments to be completed on the following schedule:

Mining Lease Due Dates	Minimum advance royalty payments to Lessor US$
Previously paid	166,250
May 27, 2012 (paid)	40,000
May 27, 2013	50,000
May 27, 2014	50,000
May 27, 2015 and each year thereafter to be adjusted for inflation per the USA CPI	60,000

On October 1, 2009, the Company signed an exploration and option to enter into a joint venture agreement with NuLegacy and NuLegacy paid the Company $11,719 (US$11,000) as reimbursement of 2009-2010 federal claim maintenance fees. NuLegacy may earn a 60% interest by funding US$4,000,000 in qualified expenditures over a five-year period and by issuing the Company 200,000 common shares (received). On December 20, 2010, an amendment was signed to add the Coal Canyon property to the Red Hill option to joint venture agreement. The 60% interest may now be earned in both projects by NuLegacy funding a total of US$5,500,000 in qualified expenditures over a five-year period and by issuing the Company an additional 50,000 common shares (received). NuLegacy may then elect to either earn an additional 10% interest by completing a bankable feasibility study within four years of election or by funding US$10,000,000 in additional exploration within ten years of election.

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

k) Red Hill Property, Eureka County, Nevada *(continued)*

Due Dates	Exploration Expenditures US$
July 1, 2010 (met)	200,000
January 1, 2011 (met)	600,000
October 1, 2011 (met)	400,000
October 1, 2012 (met subsequently)	1,050,000
October 1, 2013	1,400,000
October 1, 2014	1,850,000
Total expenditure	**5,500,000**

l) Redlich Property, Esmeralda County, Nevada

The Company holds claims comprising the Redlich Property, Esmeralda County, Nevada, subject to a 3% NSR royalty. Upon completion of a bankable feasibility study, the Company has the option to buy two percentage points of the NSR for US$1,000,000 per percentage point.

m) Rook Property, Eureka County, Nevada

The Company holds claims comprising the Rook property, Eureka County, Nevada.

n) TAZ Property, Eureka County, Nevada

The Company holds claims comprising the TAZ property Eureka County, Nevada.

Certain of the TAZ claims are subject to a 1% NSR royalty pursuant to a finder's fee agreement.

On February 11, 2011, as amended, the Company signed an exploration and option to enter into a joint venture agreement with TAZ Gold LLC ("TGL") and Navaho Gold PTY Ltd (as guarantor). Under the terms of the agreement, TGL will have to make initial exploration expenditures of US$2,725,000 over a four-year period, with the first year's commitment of $400,000 an obligation. TGL will then have the option and right to earn a 75% interest by either producing a feasibility study in four years or by spending an additional $10,000,000 over 10 years at a rate of no less than $1,000,000 per year. If TGL elects not to fund 100% of the exploration costs required to complete a bankable feasibility study by expending the contemplated US$4,000,000 or fails to spend the additional US$10,000,000 within 10 years, but meets the first US$2,725,000 spending milestone, it shall be entitled to an NSR of 2%.

Due Dates	Exploration Expenditures US$
February 11, 2012 (obligation, met)	400,000
February 11, 2013 (revised)	325,000
February 11, 2014	1,000,000
February 11, 2015	1,000,000
Total expenditure	**2,725,000**

During the year ended August 31, 2011, TGL paid the Company $20,400 (US$19,880) as reimbursement of claim maintenance fees of which $12,764 was recorded as a recovery of the Company's acquisition costs and the residual amount of $7,636 recorded as exploration and evaluation recoveries.

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

o) Association Agreement, Colombia

From December 2, 2009, until it lapsed on December 31, 2010, the Company was party to an association agreement (the "Association Agreement") by and among ExpoGold Colombia S.A. ("ExpoGold"), the Company, and the Company's subsidiary Miranda Gold Colombia II Ltd. ("MAD II") and the Colombian branch of MAD II.

During the August 31, 2010, fiscal year, pursuant to the terms of the Association Agreement, the Company issued 350,000 common shares to ExpoGold for a 360-day first right of refusal to lease any of the 45 license applications in Colombia controlled by ExpoGold. The Company executed option agreements on the Pavo Real, Cajamarca, and Fresno projects as discussed below. The Company also optioned the Santander, Ibague and Anori projects and then returned them to ExpoGold prior to the first year anniversary payments becoming due.

Concurrent with the execution of the five option agreements in fiscal 2010, the Company allocated the $206,500 fair value of the shares issued to ExpoGold plus $133,069 of additional acquisition costs of the five then-optioned properties, for a total of $339,569, across the properties: Anori $41,353; Cajamarca $97,829; Fresno $60,652; Ibague $58,117; and Santander $81,618.

p) Cajamarca Option, Colombia

On December 10, 2010, the Company executed three option agreements to acquire the Cajamarca, Fresno and Ibague mining interests (collectively the "Cajamarca Option") by and among ExpoGold, the Company, and the Company's subsidiary Miranda Gold Colombia IV Ltd. ("MAD IV"); and the Colombian branch of MAD IV. The terms of the Cajamarca Option were agreed to in the Association Agreement and the Company must meet the following to maintain the option:

Cajamarca Option Due Dates	Minimum advance royalty payments US$	Common shares to be issued to ExpoGold
December 10, 2010 (paid and issued, included Ibague)	30,000	30,000
December 10, 2011 (paid and issued, included Ibague)	40,000	40,000
December 10, 2012	30,000	30,000
December 10, 2013	40,000	60,000
December 10, 2014	50,000	80,000
December 10, 2015, and on each subsequent anniversary	60,000	100,000

The Ibague mining interest was terminated and the acquisition costs of $48,960 were written off as at August 31, 2011. The Fresno mining interest was terminated during the year ended August 31, 2012, and the acquisition costs of $33,600 were written off. The Cajamarca mining interest was retained.

Annual payments and issuances of shares per the above table will be required to maintain the option until the first milestone is achieved. The first milestone is the definition of a NI 43-101 Measured and Indicated resource greater than or equal to 250,000 ounces of gold equivalent. MAD IV will pay ExpoGold $100,000 if it is less than 500,000 ounces of gold equivalent and $250,000 if it is more. Additional payments will be owed by MAD IV at various milestones as the steps to production progress.

Effective September 19, 2011, the Company entered into a share purchase agreement ("SPA") and a shareholder agreement ("SA") with Red Eagle. Pursuant to the SPA, Miranda assigned 70%; or 70 of the 100 shares of MAD IV to Red Eagle. The activities of MAD IV are governed by the SA.

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

p) Cajamarca Option, Colombia (continued)

To maintain a 51% shareholding in MAD IV, effectively representing a 51% interest in the Cajamarca Option, Red Eagle must make an aggregate US$4,000,000 contribution to MAD IV within the next five years (the "First Contribution"). These funds will be used to fund exploration work at the Cajamarca project. If Red Eagle fails to make the first contribution within the stated time period, Red Eagle will forfeit all of its shares of MAD IV to Miranda.

On completion of the first contribution, Red Eagle will have the right and option, for 180-days, to further fund MAD IV at a minimum of US$1,000,000 per year and either complete a bankable feasibility study on the Cajamarca project within eight years or contribute a minimum of US$10,000,000 within 10 years (the "Second Contribution").

If Red Eagle fails to make the Second Contribution within the stated time period, Red Eagle will retain only 51 of the shares of MAD IV, but forfeit the remaining 19 of its shares of MAD IV to Miranda.

Red Eagle has assumed and is responsible for all payments and other obligations due from Miranda to ExpoGold under the Cajamarca Option. Miranda will also be issued shares of Red Eagle on a share-for-share basis as reimbursement for the issuance of Miranda shares to ExpoGold pursuant to the Cajamarca Option.

On November 25, 2011, Miranda received 30,000 shares of Red Eagle, valued at $21,840, as reimbursement for the December 10, 2010, share issue due from Miranda to ExpoGold pursuant to the Cajamarca Option.

On November 30, 2011, Miranda issued 40,000 shares pursuant to the Cajamarca Option, with a fair value of $13,200. On December 20, 2011, Miranda received 40,000 shares of Red Eagle, valued at $22,080, as reimbursement for the November 30, 2011, share issue due from Miranda to ExpoGold pursuant to the Cajamarca Option.

Exploration at Cajamarca is currently on hold due to security concerns. Miranda has agreed with Red Eagle to defer the exploration commitments until the security situation improves. Miranda has provided notice of force majeure to ExpoGold pursuant to the Cajamarca Option.

q) Pavo Real Option, Colombia

On June 24, 2010, the Company executed an option agreement (the "Pavo Option") by and among ExpoGold, the Company, and the Company's subsidiary Miranda Gold Colombia III Ltd., which was subsequently renamed Rovira Mining Limited ("Rovira"); and the Colombian branch of Rovira to acquire the Pavo Real mining interest. The terms of the Pavo Option were agreed to in the Association Agreement and the Company must meet the following to maintain the option:

Pavo Real Option Due Dates	Minimum advance royalty payments US$	Common shares to be issued to ExpoGold
Previously paid and issued	90,000	300,000
June 24, 2012 (paid and issued)	60,000	100,000
June 24, 2013	70,000	100,000
June 24, 2014	80,000	100,000
June 24, 2015, and on each subsequent anniversary	100,000	100,000

(Stated in Canadian dollars)

9. EXPLORATION and EVALUATION ASSETS *(continued)*

q) Pavo Real Option, Colombia (continued)

Annual payments of US$100,000, plus the issue of 100,000 common shares will be required to maintain the option until the first milestone is achieved. The first milestone is the definition of a NI 43-101 Measured and Indicated resource greater than or equal to 250,000 ounces of gold equivalent. Rovira will pay ExpoGold US$100,000 if it is less than 500,000 ounces of gold equivalent and US$250,000 if it is more. Additional payments will be owed by Rovira at various milestones as the steps to production progress.

On June 25, 2010, the Company entered into a share purchase agreement ("SPA") and a shareholder agreement ("SA") with Red Eagle. The SPA and SA agreements became effective on June 24, 2010. Pursuant to the SPA, Miranda assigned 70% of the shares of Rovira to Red Eagle. The activities of Rovira are governed by the SA. To maintain its 70% shareholding in Rovira, effectively representing a 70% interest in the Pavo Option, Red Eagle must make an aggregate US$4,000,000 contribution to Rovira within four years. These funds will be used to fund exploration work at the Pavo Real project.

Red Eagle must then further fund Rovira at a minimum of US$1,000,000 per year and either complete a bankable feasibility study on the Pavo Real project within eight years or contribute a minimum of US$10,000,000 within 10 years. At the time the board of directors of Rovira approves a feasibility study and a mine construction program on the Pavo Real project, Red Eagle will have the option for a period of 30 days to elect to acquire an additional 10% interest in Rovira by committing to solely fund all costs associated with putting the property into production. If Red Eagle fails to make any of the capital contributions within the stated time periods, Red Eagle will forfeit its shares of Rovira to Miranda.

Red Eagle has assumed and is responsible for all payments and other obligations due from Miranda to ExpoGold under the Pavo Option. Miranda will be issued shares of Red Eagle on a share-for-share basis as reimbursement for the issuance of Miranda shares to ExpoGold pursuant to the Pavo Option. During the fiscal year ended August 31, 2012, the Company issued 100,000 common shares to ExpoGold valued at $33,000 pursuant to the Pavo Real Option Agreement. The Company, in turn, received 100,000 shares of Red Eagle pursuant to the Association Agreement.

r) Anori and Santander Properties, Colombia

During fiscal 2011, the Company terminated each of the Anori and Santander properties as described in Note 9(o), and wrote off the acquisition costs of $157,969.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		As at August 31, 2012		As at August 31, 2011		As at September 1, 2010
Trade and other payables in Canada	**$**	**72,803**	$	50,337	$	58,485
Trade and other payables in the USA		**58,850**		80,846		71,060
Trade and other payables in Colombia		**66,802**		30,290		38,167
Amounts payable to funding partners		**-**		-		6,000
Amounts payable and accrued liabilities to related parties		**34,337**		16,919		25,681
Total	**$**	**232,792**	$	178,392	$	199,393

11. SHARE CAPITAL

a) Authorized: An unlimited number of common shares without par value.

b) Share issuance:

Fiscal 2012

On November 30, 2011, the Company issued 40,000 common shares to ExpoGold valued at $13,200 pursuant to the Cajamarca Option agreement referenced in Note 9(p).

On June 15, 2012, the company issued 100,000 common shares to ExpoGold valued at $33,000 pursuant to the Pavo Real Option Agreement referenced in Note 9(q).

On February 7, 2012, the Company issued 85,000 common shares pursuant to the exercise of stock options.

Fiscal 2011

On November 3, 2010, the Company completed a non-brokered private placement of 1,000,000 units at a price of $0.50 per unit, for gross proceeds of $500,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant is exercisable to purchase an additional common share at $0.75 per share until November 3, 2012. The proceeds of the financing of $500,000 were allocated on a relative fair value basis as $343,007 to common shares and $156,993 as to warrants. Cash share issue costs pursuant to this private placement were an additional $4,071. The assumptions used in the Black-Scholes option pricing model for the relative fair value allocation were: a risk free interest rate of 1.40%; an expected volatility of 89%; an expected life of two years; and an expected dividend of zero.

On December 21, 2010, the Company issued 100,000 common shares to ExpoGold valued at $63,000 pursuant to the Pavo Option agreement referenced in Note 9(q).

On February 17, 2011, the Company issued 50,000 common shares to ExpoGold valued at $33,000 pursuant to the execution of five option agreements (Note 9(o).

On June 16, 2011, the Company issued 100,000 common shares to ExpoGold valued at $38,000 pursuant to the Pavo Option agreement referenced in Note 9(o).

During the year ended August 31, 2011, the Company issued 320,000 common shares pursuant to the exercise of stock options.

c) Stock Options Outstanding:

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of up to 10,491,890 options to acquire common shares to its directors, officers, employees and consultants. The vesting terms of each stock option grant is determined by the Board of Directors at the time of the grant.

(Stated in Canadian dollars)

11. SHARE CAPITAL *(continued)*

c) Stock Options Outstanding *(continued)*:

The continuity for stock options for the year ended August 31, 2012, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2011	Granted	Exercised	Expired / Cancelled / Forfeited	**Balance August 31, 2012**
March 28, 2012	*$ 0.70*	135,000	-	-	(135,000)	**-**
January 31, 2013	*$ 0.70*	1,170,000	-	-	(130,000)	**1,040,000**
February 25, 2014	*$ 0.35*	1,957,000	-	(85,000)	-	**1,872,000**
September 26, 2015	*$ 0.56*	1,745,000	-	-	(85,000)	**1,660,000**
December 1, 2015	*$ 0.69*	50,000	-	-	-	**50,000**
April 19, 2016	*$ 0.56*	100,000	-	-	-	**100,000**
October 21, 2016	*$ 0.40*	-	1,865,000	-	-	**1,865,000**
		5,157,000	1,865,000	(85,000)	(350,000)	**6,587,000**
Weighted average exercise price		$ 0.52	$ 0.40	$ 0.35	$ 0.67	**$ 0.48**

As at August 31, 2012, the weighted average remaining contractual life of the options outstanding was 2.5 years.

As at August 31, 2012, 5,654,500 of the outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.49. The intrinsic value of the vested stock options was $nil. The intrinsic value of the vested stock options outstanding at August 31, 2012, is calculated on the difference between the exercise prices of the underlying vested options and the quoted price of our common stock as of the reporting date of August 31, 2012, being $0.30.

The continuity for stock options for the year ended August 31, 2011, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2010	Granted	Exercised	Expired / Cancelled / Forfeited	Balance August 31, 2011
October 18, 2010	*$ 1.18*	80,000	-	-	(80,000)	-
April 17, 2011	*$ 0.70*	400,000	-	-	(400,000)	-
May 31, 2011	*$ 0.70*	50,000	-	-	(50,000)	-
March 28, 2012	*$ 0.70*	395,000	-	-	(260,000)	135,000
January 31, 2013	*$ 0.70*	1,170,000	-	-	-	1,170,000
February 25, 2014	*$ 0.35*	2,202,000	-	(245,000)	-	1,957,000
September 26, 2015	*$ 0.56*	-	1,895,000	(75,000)	(75,000)	1,745,000
December 1, 2015	*$ 0.69*	-	50,000	-	-	50,000
April 19, 2016	*$ 0.56*	-	100,000	-	-	100,000
		4,297,000	2,045,000	(320,000)	(865,000)	5,157,000
Weighted average exercise price		$ 0.53	$ 0.56	$ 0.40	$ 0.73	$ 0.52

As at August 31, 2011, the weighted average remaining contractual life of the options outstanding was 2.8 years.

11. SHARE CAPITAL *(continued)*

d) Share-based compensation:

The fair value of each option granted to employees, officers and directors was estimated on the date of grant using the Black-Scholes option pricing model. Volatility was determined using daily closing share prices over a term equivalent to the expected life of the options.

Fiscal 2012

During the year ended August 31, 2012, the Company recorded $459,188 in share-based compensation expense for options vesting in the year as follows:

a) vesting portion of options granted October 20, 2011, $424,658
b) vesting portion of options granted April 19, 2011, $11,019
c) vesting portion of options granted December 1, 2010, $2,688
d) vesting portion of options granted September 26, 2010, $20,823

The fair value of the 1,865,000 options granted on October 20, 2011, was determined using a risk free interest rate of 1.41%, an expected volatility ranging from 81.4% to 88.6%, an expected life of ranging from 3.32 to 4.87 years, and an expected dividend of zero for a total fair value of $456,148 or $0.245 per option.

Fiscal 2011

During the year ended August 31, 2011, the Company recorded $591,854 in share-based compensation expense for options vesting in the year as follows:

a) vesting portion of options granted April 19, 2011, $22,314
b) vesting portion of options granted December 1, 2010, $17,899
c) vesting portion of options granted September 26, 2010, $551,641

The fair value of the 1,895,000 options granted on September 26, 2010, was determined using a risk free interest rate ranging from 1.42% to 1.84%, an expected volatility ranging from 86.3% to 95.4%, an expected life of ranging from 1.9 to 3.8 years, and an expected dividend of zero for a total fair value of $598,225 or $0.316 per option.

The fair value of the 50,000 options granted December 1, 2010, was determined using a risk free interest rate of between 1.65% and 2.2%, an expected volatility of between 86.7 and 93.4%, an expected life of between 2.8 and 3.8 years, and an expected dividend of zero for a total fair value of $20,588 or $0.412 per option.

The fair value of the 100,000 options granted April 19, 2011, was determined using a risk free interest rate of between 1.65% and 2.29%, an expected volatility of between 87.3% and 92.0%, an expected life of between 2.8 and 3.8 years, and an expected dividend of zero for a total fair value of $33,333 or $0.333 per option.

(Stated in Canadian dollars)

11. SHARE CAPITAL *(continued)*

e) Share Purchase Warrants:

The continuity for share purchase warrants for the year ended August 31, 2012 is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2011	Issued	Exercised	Expired	**Balance August 31, 2012**
December 9, 2011	$ *0.50*	100,000	-	-	(100,000)	**-**
March 18, 2012	$ *1.00*	5,686,492	-	-	(5,686,492)	**-**
October 29, 2012	$ *0.55*	100,000	-	-	-	**100,000**
November 3, 2012	$ *0.75*	1,000,000	-	-	-	**1,000,000**
October 29, 2013	$ *0.60*	-	100,000	-	-	**100,000**
		6,886,492	100,000	-	(5,786,492)	**1,200,000**
Weighted average exercise price		$ 0.95	$ 0.60	$ -	$ 0.99	**$ 0.72**

On October 29, 2011, pursuant to a mining lease agreement with Range Minerals Inc. (Note 9(e)), the Company issued the final tranche of 100,000 share purchase warrants with an exercise price of $0.60, expiring on October 29, 2013, with a fair value of $10,969. The assumptions used in the Black-Scholes option pricing model for the fair value were: a risk free interest rate of 1.14%; an expected volatility of 69%; an expected life of two years; and an expected dividend of zero.

The continuity for share purchase warrants for the year ended August 31, 2011 is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2010	Issued	Exercised	Expired	Balance August 31, 2011
December 9, 2011	$ *0.50*	100,000	-	-	-	100,000
March 18, 2012	$ *1.00*	5,686,492	-	-	-	5,686,492
October 29, 2012	$ *0.55*	-	100,000	-	-	100,000
November 3, 2012	$ *0.75*	-	1,000,000	-	-	1,000,000
		5,786,492	1,100,000	-	-	6,886,492
Weighted average exercise price		$ 0.99	$ 0.73	$ -	$ -	$ 0.95

On October 29, 2010, pursuant to a mining lease agreement with Range Minerals Inc. (Note 9 (e)), the Company issued 100,000 share purchase warrants with an exercise price of $0.55, expiring on October 29, 2012, with a fair value of $39,592. The assumptions used in the Black-Scholes option pricing model for the fair value were: a risk free interest rate of 1.39%; an expected volatility of 89%; an expected life of two years; and an expected dividend of zero.

(Stated in Canadian dollars)

12. RELATED PARTY TRANSACTIONS

a) The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors as follows:

Name	Nature of transactions
Golden Oak Corporate Services Limited	Consulting as CFO, corporate compliance services, and financial reporting

The Company incurred the following fees and expenses in the normal course of operations in connection with individuals and companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

For the year ended	**August 31, 2012**	August 31, 2011
Consulting fees	**$ 114,450**	$ 108,938
Office and general expenses	**5,111**	6,094
Total	**$ 119,561**	$ 115,032

Advances to related parties are disclosed in Note 7 and amounts owing to related parties are disclosed in Note 10.

A director and officer of the Company holds a 10% interest in Nevada North's interest in the Coal Canyon and Red Hill property leases (Note 9(c) and 9(k)).

The Company and Red Eagle are related parties in that they have directors in common, being Ken Cunningham and Ian Slater.

b) Compensation of key management personnel:

The remuneration of directors and other members of key management personnel, including amounts disclosed in Note 12(a), during the years ended August 31, 2012, and 2011 were as follows:

For the year ended	**August 31, 2012**	August 31, 2011
Consulting fees	**$ 114,450**	$ 108,938
Salaries	**351,760**	368,073
Directors fees	**30,319**	32,129
Share-based compensation	**314,401**	410,869
Total	**$ 810,930**	$ 920,009

13. SEGMENTED DISCLOSURE

The Company operates only in the mineral exploration sector within two geographic segments: Nevada and Alaska projects in the United States; and Colombian projects in Colombia.

Notes 8 and 9 provide disclosure as to the geographic location of property, plant and equipment; the exploration and evaluation assets; and geographical exploration expenditures.

(Stated in Canadian dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; held-to-maturity investments; loans and receivables; available-for-sale; or other liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**August 31, 2012**	August 31, 2011	September 1, 2010
Cash	FVTPL	**$ 4,955,344**	$ 7,636,663	$ 10,298,439
Amounts receivable	Loans and receivables	**160,530**	477,751	103,324
Marketable securities	Available-for-sale	**286,500**	378,300	139,500
Advances	FVTPL	**23,150**	24,530	70,806
Accounts payable and accrued liabilities	Other liabilities	**(232,792)**	(178,392)	(199,393)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, advances, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. Cash and marketable securities are recorded at fair value and is calculated under the fair value hierarchy and measured using Level 1, Level 2, or Level 3 inputs, as appropriate.

Fair value of cash and marketable securities

Financial Instrument	**Quoted prices in active markets for identical assets**	**Significant other observable inputs**	**Significant unobservable inputs**	**Total as at August 31, 2012**
	Level 1	***Level 2***	***Level 3***	
Cash	$ 4,955,344	$ -	$ -	**$ 4,955,344**
Available-for-sale securities	238,500	48,000	-	**286,500**
	$ 5,193,844	$ 48,000	$ -	**$ 5,241,844**

(Stated in Canadian dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of cash and marketable securities *(continued)*

Financial Instrument	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total as at August 31, 2011
	Level 1	***Level 2***	***Level 3***	
Cash	$ 7,636,663	$ -	$ -	$ 7,636,663
Available-for-sale securities	93,000	285,300	-	378,300
	$ 7,729,663	$ 285,300	$ -	$ 8,014,963

Financial Instrument	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total as at September 1, 2010
	Level 1	***Level 2***	***Level 3***	
Cash	$ 10,298,439	$ -	$ -	$ 10,298,439
Available-for-sale securities	59,500	-	80,000	139,500
	$ 10,357,939	$ -	$ 80,000	$ 10,437,939

During the year ended August 31, 2012:

a) 300,000 of the common shares of Red Eagle were re-classified from Level 2 to Level 1 as the “hold period” had lapsed; and 170,000 common shares of Red Eagle were received and 120,000 of these were recorded as Level 2, while 50,000 were initially recorded as Level 2, but re-classified as Level 1 as the “hold period” had lapsed; and

b) 40,000 of the common shares of NuLegacy were re-classified from Level 2 to Level 1 as the “hold period” had lapsed.

During the year ended August 31, 2011:

a) 100,000 of the common shares of Red Eagle were re-classified from Level 3 to Level 2 as the shares began trading on the TSX-V (with a hold period); and 200,000 common shares of Red Eagle were received and recorded as Level 2 as the shares began trading on the TSX-V (with a hold period); and

b) 200,000 of the common shares of NuLegacy were re-classified from Level 3 to Level 2 as the shares began trading on the TSX-V; and 50,000 common shares of NuLegacy were received, 40,000 of which were recorded as Level 2 as trading on the TSX-V (with a hold period), and the other 10,000 were recorded as Level 1; and

c) 300,000 common shares of Teslin River were re-classified from Level 3 to Level 1 as the shares began trading on the TSX-V.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables, and balances receivable from the government. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, guaranteed investment certificates and in government treasury bills which are available on demand by the Company for its programs.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next sixty days.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and short-term investments and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk: The Company has identified its functional currencies as the Canadian dollar and the US dollar. Transactions are transacted in Canadian dollars, US dollars, and Colombian Pesos ("COP"). The Company maintains US dollar bank accounts in the USA and maintains COP bank accounts in Colombia to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk. At August 31, 2012, one Canadian dollar was equal to 0.9857 US dollars and 1,852 Colombian Pesos.

Balances are as follows:

	US dollars	Colombian Pesos	Canadian dollar equivalent
Cash	67,538	53,376,646	95,395
Amounts receivable	126,656	1,792,200	125,813
Advances and prepaid expenses	7,216	54,185,435	36,373
	201,410	109,354,281	257,581
Accounts payable and accrued liabilities	(73,625)	(123,708,475)	(139,375)
Net monetary assets (liabilities)	**127,785**	**(14,354,194)**	**118,206**

Based upon the above net exposures and assuming that all other variables remain constant, a 10% increase or decrease in the Canadian dollar against the US dollar and the Colombian Peso would result in a decrease or increase in the reported loss of approximately $11,800 in the year.

(Stated in Canadian dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Risk management *(continued)*

(c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets is related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operational activities.

Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

15. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (see Note 11). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration expenditures, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in interest bearing Canadian chartered bank account and short-term guaranteed investment certificates.

The Company expects its current capital resources will be sufficient to carry out its exploration plans and operations through the next twelve months and longer.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the year ended	**August 31, 2012**	August 31, 2011
Non-cash investing and financing activities:		
Fair value of warrants issued for exploration and evaluation assets	**$ 10,969**	$ 39,592
Fair value of shares issued for exploration and evaluation assets	**46,200**	134,000
Fair value of shares received for exploration and evaluation assets	**76,920**	134,959
Fair value of options exercised	**13,095**	62,716
Option recoveries in amounts receivable	**-**	152,854
Interest received	**94,471**	83,964

(Stated in Canadian dollars)

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2012		2011
Loss before income taxes	$	**(3,623,914)**	$	(3,712,126)
Expected income tax (recovery)	$	**(924,000)**	$	(1,008,000)
Change in statutory, foreign tax, foreign exchange rates, and other		**(157,000)**		(234,000)
Permanent differences		**116,000**		246,000
Share issue costs		**-**		(1,000)
Change in unrecognized deductable temporary differences		**979,123**		982,877
Deferred income tax expense (recovery)	$	**14,123**	$	(14,123)

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

The significant components of the Company's recognized deferred tax assets and liabilities are as follows:

		2012		2011
Deferred tax assets (liabilities)				
Property and equipment	**$**	**(12,000)**	$	(23,000)
Marketable securities		**-**		(14,123)
Non-capital losses		**12,000**		36,877
Net deferred tax assets (liabilities)	**$**	**-**	$	-

The significant components of the Company's unrecognized deductable temporary differences and tax losses are as follows:

		2012	Expiry Date Range		2011
Temporary differences					
Exploration and evaluation assets	**$**	**5,313,000**	No expiry date	$	4,135,000
Property and equipment		**37,000**	No expiry date		41,000
Share issue costs		**77,000**	2033-2036		127,000
Marketable securities		**65,000**	No expiry date		-
Allowable capital losses		**467,000**	No expiry date		467,000
Non-capital losses available for future period		**12,219,000**	2014-2032		10,164,000
Canada		**4,580,000**	2014-2032		4,310,000
USA		**7,240,000**	2020-2032		5,860,000

Tax attributes are subject to review, and potential adjustments by tax authorities.

18. SUBSEQUENT EVENTS

Subsequent to August 31, 2012, the Company:

a) reports that 1,100,000 warrants expired, unexercised;
b) reports that 185,000 options were cancelled due to staff resignations; and
c) granted stock options to directors, officers, employees and consultants on 1,575,000 shares of the Company's capital stock, exercisable for up to five years at a price of $0.305 per share. The options granted will vest 50% immediately, and 50% in twelve months from the date of grant.

19. FIRST TIME ADOPTION OF IFRS

a) Transition to IFRS

The Company's first annual financial statements prepared under IFRS are for the year ended August 31, 2012, and it is necessary for the Company to present comparative statements restated to IFRS for the year ended August 31, 2011. Accordingly, the transition date of the Company is September 1, 2010 (the "Transition Date"), and it requires the restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011. Prior to the adoption of IFRS the Company prepared its financial statements in accordance with Canadian GAAP.

The accounting policies in Note 3 have been applied in preparing the consolidated financial statements for the year ended August 31, 2012, the financial statements for the year ended August 31, 2011, and the statement of financial position on the Transition Date of September 1, 2010.

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in the consolidated financial statements prepared in accordance with previous Canadian GAAP. An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position, financial performance, and cash flows is set out below.

b) Initial elections upon adoption

IFRS 1, First-time Adoption of International Financial Reporting Standards provides guidance for the initial adoption of IFRS. IFRS 1 requires retrospective application of the standards in the transition statement of financial position, with all adjustments to assets and liabilities taken to deficit unless certain mandatory and optional exemptions are applied.

The Company has applied the following exemptions to its opening statement of financial position:

IFRS Exemption Options

i. <u>Cumulative foreign currency translation differences</u>
As permitted by the IFRS 1 election for cumulative foreign currency translation differences, an entity may elect to recognise all translation adjustments arising on the translation of the financial statements of foreign entities in accumulated profits or losses at the opening IFRS balance sheet date (that is, reset the translation reserve included in equity under previous GAAP to zero). If the entity elects this exemption, the gain or loss on subsequent disposal of the foreign entity will be adjusted only by those accumulated translation adjustments arising after the opening IFRS statement of financial position. The Company has availed itself of this exemption and has deemed cumulative foreign currency translation differences for foreign operations to be zero at the Transition Date.

19. FIRST TIME ADOPTION OF IFRS *(continued)*

b) Initial elections upon adoption *(continued)*

ii. Share-based payments

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the latter of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to the Transition Date, which had been accounted for in accordance with Canadian GAAP. As there were no unvested awards as at the Transition Date, there was no financial adjustment necessary. In addition, under IFRS 2, the definition of an employee is broader, allowing the Company to group employees and others providing similar services together. Under this broader definition, the Company has included its consultants and employees in one group.

iii. Business combinations

IFRS 1 includes Appendix C explaining how a first-time adopter should account for business combinations that occurred prior to transition to IFRS. An entity may keep the original previous GAAP accounting, that is, not restate:

- previous mergers or goodwill written-off from reserves;
- the carrying amounts of assets and liabilities recognised at the date of acquisition or merger; or
- how goodwill was initially determined (do not adjust the purchase price allocation on acquisition).

However, should it wish to do so, an entity can elect to restate all business combinations starting from a date it selects prior to the opening balance sheet date. In all cases, the entity must make an initial IAS 36 impairment test of any remaining goodwill in the opening IFRS balance sheet, after reclassifying, as appropriate, previous GAAP intangibles to goodwill. The exemption for business combinations also applies to acquisitions of investments in associates and of interests in joint ventures.

The Company has determined that this exemption does not apply, as there have been no previous mergers, and has had no previous goodwill written-off.

IFRS mandatory exception

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position at the Transition Date:

i. Estimates

Hindsight is not used to create or revise estimates. In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under the previous GAAP applied, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of September 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

c) Reconciliation between Canadian GAAP and IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however, significant differences exist in certain areas of recognition, measurement and disclosure. While the adoption of IFRS has not changed the actual cash flows of the Company, the adoption has resulted in changes to the Company's reported financial position and results of operations. In order to allow financial statement users to better understand these changes, the Company's Canadian GAAP opening statement of financial position at Transition Date and August 31, 2011, and statements of comprehensive loss and cash flows for the year ended August 31, 2011, have been reconciled to IFRS and presented below, along with explanations of resulting differences.

(Stated in Canadian dollars)

19. FIRST TIME ADOPTION OF IFRS *(continued)*

d) Reconciliation between Canadian GAAP and IFRS as at September 1, 2010

The Company's Canadian GAAP consolidated statement of financial position as at the Transition Date has been reconciled to IFRS as follows:

as at September 1, 2010	Previous Canadian GAAP	IFRS Adjustment Note 19(f)(i)	IFRS Adjustment Note 19(f)(ii)	IFRS Adjustment Note 19(f)(iii)	IFRS
ASSETS					
Current					
Cash	$ 10,298,439	$ -	$ -	$ -	$ 10,298,439
Amounts receivable	103,324	-	-	-	103,324
Marketable securities	139,500	-	-	-	139,500
Advances and prepaid expenses	123,919	-	-	-	123,919
	10,665,182	-	-	-	10,665,182
Property, plant and equipment	148,851	(3,441)	-	-	145,410
Exploration and evaluation assets	554,671	(13,440)	-	-	541,231
	$ 11,368,704	$ (16,881)	$ -	$ -	$ 11,351,823
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	$ 199,393	$ -	$ -	$ -	$ 199,393
Shareholders' equity					
Share capital	25,839,086	-	-	-	25,839,086
Share-based reserve	6,395,623	-	-	(1,164,511)	5,231,112
Warrant reserve	809,028	-	-	1,164,511	1,973,539
Foreign exchange reserve	-	-	-	-	-
Accumulated other comprehensive income (loss)	34,500	-	-	-	34,500
Deficit	(21,908,926)	(16,881)	-	-	(21,925,807)
	11,169,311	(16,881)	-	-	11,152,430
	$ 11,368,704	$ (16,881)	$ -	$ -	$ 11,351,823

(Stated in Canadian dollars)

19. FIRST TIME ADOPTION OF IFRS *(continued)*

e) Reconciliation between Canadian GAAP and IFRS as at August 31, 2011

The Company's Canadian GAAP consolidated statement of financial position as at August 31, 2011, has been reconciled to IFRS as follows:

as at August 31, 2011	Previous Canadian GAAP	IFRS Adjustment Note 19(f)(i)	IFRS Adjustment Note 19(f)(ii)	IFRS Adjustment Note 19(f)(iii)	IFRS
ASSETS					
Current					
Cash	$ 7,636,663	$ -	$ -	$ -	$ 7,636,663
Amounts receivable	477,751	-	-	-	477,751
Marketable securities	378,300	-	-	-	378,300
Advances and prepaid expenses	101,002	-	-	-	101,002
	8,593,716	-	-	-	8,593,716
Property, plant and equipment	207,955	(6,878)	-	-	201,077
Exploration and evaluation assets	304,030	(26,617)	-	-	277,413
	$ 9,105,701	$ (33,495)	$ -	$ -	$ 9,072,206
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	$ 178,392	$ -	$ -	$ -	$ 178,392
Shareholders' equity					
Share capital	26,502,488	-	-	-	26,502,488
Share-based reserve	6,889,610	-	35,151	(1,164,511)	5,760,250
Warrant reserve	1,005,613	-	-	1,164,511	2,170,124
Foreign exchange reserve	-	(14,102)	-	-	(14,102)
Accumulated other comprehensive income (loss)	98,864	-	-	-	98,864
Deficit	(25,569,266)	(19,393)	(35,151)	-	(25,623,810)
	8,927,309	(33,495)	-	-	8,893,814
	$ 9,105,701	$ (33,495)	$ -	$ -	$ 9,072,206

(Stated in Canadian dollars)

19. FIRST TIME ADOPTION OF IFRS *(continued)*

e) Reconciliation between Canadian GAAP and IFRS as at August 31, 2011 *(continued)*

The Company's Canadian GAAP consolidated statement of loss and comprehensive loss for the year ended August 31, 2011, has been reconciled to IFRS as follows:

for the year ended August 31, 2011	Previous Canadian GAAP	IFRS Adjustment Note 19(f)(i)	IFRS Adjustment Note 19(f)(ii)	IFRS
Expenses				
Consulting	$ 124,321	$ -	$ -	$ 124,321
Depreciation	79,599	(6,831)	-	72,768
Directors fees	32,129	-	-	32,129
Exploration and evaluation expenditures	1,350,487	-	-	1,350,487
Exploration and evaluation recoveries	(40,914)	-	-	(40,914)
Foreign exchange	44,265	9,343	-	53,608
Insurance	41,575	-	-	41,575
Investor relations	204,499	-	-	204,499
Management fees earned	(3,123)	-	-	(3,123)
Office rent, telephone, secretarial, sundry	190,850	-	-	190,850
Professional fees	80,398	-	-	80,398
Share-based compensation	556,703	-	35,151	591,854
Travel and business promotion	123,044	-	-	123,044
Transfer agent, filing and regulatory fees	56,400	-	-	56,400
Wages and benefits	733,037	-	-	733,037
	(3,573,270)	(2,512)	(35,151)	(3,610,933)
Interest earned	105,736	-	-	105,736
Write-off of exploration and evaluation assets	(206,929)	-	-	(206,929)
	(101,193)	-	-	(101,193)
Loss before income taxes	(3,674,463)	(2,512)	(35,151)	(3,712,126)
Deferred income tax recovery	14,123	-	-	14,123
Loss for the year	(3,660,340)	(2,512)	(35,151)	(3,698,003)
Other comprehensive loss				
Foreign currency translation differences for foreign operations	-	(14,102)	-	(14,102)
Unrealized gain on marketable securities, net of tax	64,364	-	-	64,364
Total comprehensive loss for the year	$ (3,595,976)	$ (16,614)	$ (35,151)	$ (3,647,741)

(Stated in Canadian dollars)

19. FIRST TIME ADOPTION OF IFRS *(continued)*

e) Reconciliation between Canadian GAAP and IFRS as at August 31, 2011 *(continued)*

The Company's Canadian GAAP consolidated statement of cash flows for the year ended August 31, 2011, has been reconciled to IFRS as follows:

for the year ended August 31, 2011	Previous Canadian GAAP	IFRS Adjustment Note 19(f)(i)	IFRS Adjustment Note 19(f)(ii)	IFRS
Cash provided from (used for):				
Operating activities				
Loss for the year	$ (3,660,340)	$ (2,512)	$ (35,151)	$ (3,698,003)
Depreciation	79,599	(6,831)	-	72,768
Deferred income tax recovery	(14,123)	-	-	(14,123)
Unrealized foreign exchange loss	3,980	12,836	-	16,816
Write-off of exploration and evaluation assets	206,929	-	-	206,929
Shares received as exploration and evaluation asset recoveries	(29,334)	-	-	(29,334)
Share-based compensation	556,703	-	35,151	591,854
	(2,856,586)	3,493	-	(2,853,093)
Change in non-cash working capital items:				
Amounts receivable	(221,573)	-	-	(221,573)
Advances and prepaid expenses	22,917	-	-	22,917
Accounts payable and accrued liabilities	(21,001)	-	-	(21,001)
	(3,076,243)	3,493	-	(3,072,750)
Investing activities				
Equipment purchases	(138,703)	-	-	(138,703)
Exploration and evaluation asset recoveries	12,764	-	-	12,764
Exploration and evaluation asset acquisitions	(83,273)	-	-	(83,273)
	(209,212)	-	-	(209,212)
Financing activities				
Shares issued	627,750	-	-	627,750
Share issue costs	(4,071)	-	-	(4,071)
	623,679	-	-	623,679
Net foreign exchange differences	-	(3,493)	-	(3,493)
Change in cash for the year	(2,661,776)	-	-	(2,661,776)
Cash, beginning of the year	10,298,439	-	-	10,298,439
Cash, end of the year	$ 7,636,663	$ -	$ -	$ 7,636,663

19. FIRST TIME ADOPTION OF IFRS *(continued)*

f) Explanatory notes to the IFRS reconciliations above:

(i) Functional currency

Under Canadian GAAP, an entity is not explicitly required to assess the unit of measure (functional currency) in which it measures its own assets, liabilities, revenues and expenses. Under Canadian GAAP, an entity applies criteria to determine only whether a foreign subsidiary's operation is integrated or self-sustaining, in which case the temporal or current methods of translation respectively, are then applied to the subsidiary's financial statement balances and results of operations. Under Canadian GAAP, the Company prepared its financial statements in Canadian dollars and its US subsidiary and Colombian branch operations were determined to be integrated foreign operations.

Under IFRS, specifically, IAS 21, the functional currency of the reporting entity and each of its foreign operations must be assessed independently giving consideration to the primary economic environment in which each entity operates. IFRS provides guidance in respect of factors to be considered in determining an entity's functional currency that are similar to those noted in Canadian GAAP, however, unlike Canadian GAAP, IFRS distinguishes between primary and secondary factors in making such an assessment. Based on the assessment under IFRS, management has determined that the functional currencies of Miranda Gold Corp. is the Canadian dollar; its Canadian subsidiaries and their respective Colombian branch operations is the Canadian dollar, and its US subsidiary is the US dollar.

Accordingly, the change in functional currency has been reflected in reporting the Company's financial position in the Company's Canadian dollar presentation currency.

(ii) Share-based payments

Under Canadian GAAP, the fair value of stock-based awards with graded vesting are calculated as one grant and the resulting fair value is recognized on a graded or straight-line basis over the vesting period. Forfeitures of awards are recognized as they occur.

Under IFRS, specifically IFRS 2, each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the estimated lives of the respective tranches. Forfeiture estimates are recognized in the period that the fair value is calculated, and are revised for actual forfeitures in subsequent periods.

(iii) Financial instruments - presentation

Under Canadian GAAP, an entity was permitted to attribute a relative fair value to the included warrant pursuant to a unit offering. The relative fair value of the warrant was determined using the Black-Scholes option pricing model. On expiry, the fair value of the warrant was transferred to contributed surplus.

Under IFRS, specifically IAS 32, an entity may calculate the underlying value of the warrant in a unit offering, based on specific criteria. In Miranda's case, it was determined that the fair value of the included warrant pursuant to a unit offering under IFRS would continue to be measured using the relative fair value method. Upon expiry, the fair value of the warrants will remain in the warrant reserve.

When compensatory warrants are issued pursuant to an agreement, for example, the fair value continues to be calculated using the Black-Scholes option pricing model. The previous methodology for calculating these fair values under Canadian GAAP is in compliance with IFRS, and no further adjustments were necessary.