MIRANDA GOLD CORP.

ANNUAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2015

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, 2015

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 Alaska and Colombia.

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.

Results of Operations for the year ended August 31, 2015, 2014 and 2013

The Company incurred a loss of $1,867,176 (2014 - $2,752,090; 2013 - $3,215,753) and a comprehensive loss of $1,878,973 for the year ended August 31, 2015 (2014 - $2,705,419; 2013 - $3,296,198).

Expenses for the year ending August 31, 2015 were $1,693,560 (2014 - $2,730,123; 2013 - $3,158,430).

Significant or noteworthy expenditure differences between the three years include:

	--- For the year ended ---		
	August 31, 2015 $	August 31, 2014 $	August 31, 2013 $
Loss for the year	**1,867,176**	2,752,090	3,215,753
Exploration and evaluation expenditures	**1,328,046**	1,986,071	1,904,139
	Trending decrease is due to management's focus on the Colombia and Alaska projects and the exit from Nevada.		
Exploration and evaluation expenditure (recoveries)	**(568,669)**	(647,736)	(687,306)
	Trending decrease in recoveries is in relation to the recoverable exploration spend in Colombia. Nevada recoveries are now zero.		
Investor relations	**64,332**	72,252	252,761
	Trending decrease is due to the Company's continued efforts to curtail discretionary spending in order to preserve the limited treasury.		
Office rent, telephone, secretarial, and sundry	**140,255**	127,576	190,594

	It is the Company's intent to curtail spending in this area; however, the fiscal 2015 increase over the fiscal 2014 spending is due to corporate development training costs incurred of $21,782.		
Stock-based compensation	**132,307**	113,413	329,143
	Trending decrease is due to the method of calculating this line item – the Black-Scholes option pricing model uses the Company share price as a significant input – and the share price has fallen over the last three years.		
Travel and business promotion	**76,257**	138,828	130,430
	Trending decrease is due to the Company's continued efforts to curtail discretionary spending in order to preserve the limited treasury.		
Wages and benefits	**452,899**	603,843	705,056
	Trending decrease is due to the Company's continued efforts to curtail discretionary spending in order to preserve the limited treasury. In addition, and due to the Company's exit from Nevada, the Company has terminated all office and field staff stationed in Elko, Nevada.		

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 option to 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.

During the August 31, 2015, fiscal year, the Company issued 100,000 common shares pursuant to an option to joint venture agreement.

During the August 31, 2014, fiscal year, the Company issued 100,000 common shares pursuant to an option to joint venture agreement.

During the August 31, 2013, fiscal year, the Company completed a non-brokered private placement, raising $5,000,000 through the issuance of 20,000,000 units at a price of $0.25 per unit (a "Unit"). Each Unit consisted of one common share and one non-transferable common share purchase warrant, with each Warrant entitling 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 option to 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 an option to 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, 2015 $	May 31, 2015 $	Feb 28, 2015 $	Nov 30, 2014 $	Aug 31, 2014 $	May 31, 2014 $	Feb 28, 2014 $	Nov 30, 2013 $
Revenue	nil	nil	nil	nil	nil	nil	nil	nil
Loss for the period	(278,194)	(478,175)	(525,935)	(584,872)	(629,026)	(654,947)	(571,876)	(896,241)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Miranda began the fourth quarter of the 2015 fiscal year with cash of $2,684,925. During the three months ended August 31, 2015, the Company received $136,872 on operating activities and expended $21,357 for investing activities and experienced a positive effect of $100,651 from foreign exchange on cash, to end on August 31, 2015, with $2,901,091 in cash.

Miranda began the 2015 fiscal year with cash of $4,181,474. During the year ended August 31, 2015, the Company expended $1,441,765 on operating activities and $52,528 on investing activities and experienced a positive effect of $213,910 from foreign exchange on cash to end on August 31, 2015, with $2,901,091 in cash.

As at December 1, 2015, there were 4,812,500 stock options outstanding pursuant to the Plan, none of which were "in-the-money" (TSX.V closing price November 30, 2015 was $0.07). In addition, as at December 1, 2015, there were 20,835,800 share purchase warrants outstanding, 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, 2015	74,240,252	20,835,800	6,092,500
Stock options expired – September 26, 2015	-	-	(1,230,000)
Stock options expired – December 1, 2015	-	-	(50,000)
Outstanding at the date of this Annual Report	74,240,252	20,835,800	4,812,500

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 5.A and "Liquidity and Capital Resources" in

Item 5.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, 2015:

	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, 2015, 2014 and 2013

(*Stated in Canadian dollars*)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors 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 of August 31, 2015 and 2014 and the related consolidated statements of loss and comprehensive loss, changes in cash flows, and shareholders' equity for the years ended August 31, 2015, 2014, and 2013 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 the standards of the Public Company 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, 2015 and 2014 and its financial performance and its cash flows for the years ended August 31, 2015, 2014 and 2013 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

December 17, 2015

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(*stated in Canadian dollars*)

	Note		August 31, 2015		August 31, 2014
ASSETS					
Current					
Cash	*5*	**$**	**2,901,091**	$	4,181,474
Amounts receivable	*6*		**38,337**		343,205
Marketable securities	*7*		**122,000**		160,400
Advances and prepaid expenses	*8*		**88,053**		84,176
			3,149,481		4,769,255
Equipment	*9*		**115,327**		188,909
Exploration and evaluation assets	*10*		**364,733**		316,816
		$	**3,629,541**	$	5,274,980
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	*11*	**$**	**300,739**	$	208,012
Shareholders' equity					
Share capital	*12*		**29,676,003**		29,667,503
Stock-based reserve			**6,781,206**		6,648,899
Warrant reserve			**4,074,064**		4,074,064
Accumulated other comprehensive loss			**(105,605)**		(93,808)
Deficit			**(37,096,866)**		(35,229,690)
			3,328,802		5,066,968
		$	**3,629,541**	$	5,274,980
Nature and continuance of operations	*1*				
Subsequent events	*10 & 18*				

Approved for issue by the Board of Directors on December 17, 2015.

They are signed on the Company's behalf by:

"Kenneth Cunningham"	*"Kevin Nishi"*
Kenneth Cunningham, Director	Kevin Nishi, 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*)

	Note	Year ended August 31, 2015	2014	2013
Expenses				
Consulting	*13*	**$ 123,789**	$ 122,935	$ 118,103
Depreciation		**49,886**	72,330	81,414
Directors fees		**36,918**	28,371	30,151
Exploration and evaluation expenditures	*10*	**1,328,046**	1,986,071	1,904,139
Exploration and evaluation expenditure recoveries	*10*	**(568,669)**	(647,736)	(687,306)
Exploration and evaluation recoveries	*10*	**(310,939)**	(23,200)	(3,960)
Foreign exchange		**22,598**	(3,885)	(58,783)
Insurance		**29,866**	36,511	35,972
Investor relations		**64,332**	72,252	252,761
Management fees earned		**(859)**	(605)	(2,010)
Office rent, telephone, secretarial, sundry		**140,255**	127,576	190,594
Professional fees		**77,613**	63,502	85,642
Stock-based compensation	*12*	**132,307**	113,413	329,143
Travel and business promotion		**76,257**	138,828	130,430
Transfer agent, filing and regulatory fees		**39,261**	39,917	47,084
Wages and benefits	*13(b)*	**452,899**	603,843	705,056
		(1,693,560)	(2,730,123)	(3,158,430)
Interest earned		**27,063**	71,524	86,427
Write-off of exploration and evaluation assets	*10*	**(159,977)**	(55,491)	(49,891)
Loss on disposal of equipment		**(22,079)**	-	-
Insurance recovery		**-**	-	6,942
Loss on sale of marketable securities	*4, 7*	**(18,623)**	(38,000)	(100,801)
		(173,616)	(21,967)	(57,323)
Loss for the year		**(1,867,176)**	(2,752,090)	(3,215,753)
Items that are or may be reclassified to profit or loss				
Marketable securities - net change in fair value		**(12,150)**	23,150	(52,122)
Marketable securities - reclassified to profit or loss		**24,063**	38,000	-
Foreign currency translation differences for foreign operations		**(23,710)**	(14,479)	(28,323)
Comprehensive loss for the year		**$ (1,878,973)**	$ (2,705,419)	$ (3,296,198)
Basic and diluted loss per common share		**$ (0.03)**	$ (0.04)	$ (0.05)
Weighted average number of common shares outstanding		**74,165,457**	74,061,896	67,673,299

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,		
	2015	2014	2013
Cash provided from (used for):			
Operating activities			
Loss for the year	**$ (1,867,176)**	$ (2,752,090)	$ (3,215,753)
Items not affecting cash:			
Depreciation	**49,886**	72,330	81,414
Unrealized foreign exchange gain	**(300,133)**	(41,160)	(70,167)
Write-off of exploration and evaluation assets	**159,977**	55,491	49,891
Shares received as exploration and evaluation recoveries	**-**	(40,400)	(3,960)
Stock-based compensation	**132,307**	113,413	329,143
Loss on disposal of equipment	**22,079**	-	-
Loss on sale of marketable securities	**18,623**	38,000	100,801
Change in non-cash working capital items:			
Amounts receivable	**253,822**	(90,654)	(40,975)
Advances and prepaid expenses	**(3,877)**	(3,549)	(698)
Accounts payable and accrued liabilities	**92,727**	(87,776)	62,996
	(1,441,765)	(2,736,395)	(2,707,308)
Investing activities			
Exploration and evaluation asset acquisitions	**(283,193)**	(331,557)	(106,131)
Exploration and evaluation asset recoveries	**194,175**	115,057	36,294
Proceeds from sale of equipment	**35,047**	-	-
Proceeds from sale of marketable securities	**31,690**	2,000	56,687
Equipment purchases	**(30,247)**	(3,587)	(66,957)
	(52,528)	(218,087)	(80,107)
Financing activities			
Shares issued	**-**	-	5,000,000
Share issue costs	**-**	-	(72,259)
	-	-	4,927,741
Effect of foreign exchange on cash	**213,910**	19,413	20,873
Change in cash for the year	**(1,280,383)**	(2,935,069)	2,161,199
Cash, beginning of the year	**4,181,474**	7,116,543	4,955,344
Cash, end of the year	**$ 2,901,091**	$ 4,181,474	$ 7,116,543

Supplemental disclosure with respect to cash flows – Note 16

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(*stated in Canadian dollars*)

			Reserves		Other Comprehensive Income (Loss)			
	Number of Shares	Share Capital	Stock-based Reserve	Warrant Reserve	Foreign Exchange Reserve	Unrealized gains / losses on marketable securities, net of tax	Deficit	**Total Shareholders' Equity**
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
Share issues:								
Private placement	20,000,000	3,182,963	-	1,817,037	-	-	-	5,000,000
Private placement - finders units	835,800	133,016	-	75,934	-	-	-	208,950
Fair value of shares issued pursuant to a joint venture agreement	130,000	26,200	-	-	-	-	-	26,200
Share issue costs - cash	-	(72,259)	-	-	-	-	-	(72,259)
Share issue costs - fair value finders units	-	(208,950)	-	-	-	-	-	(208,950)
Stock-based compensation	-	-	329,143	-	-	-	-	329,143
Comprehensive loss for the year	-	-	-	-	(28,323)	(52,122)	(3,215,753)	(3,296,198)
Balance, August 31, 2013	74,040,252	29,652,503	6,535,486	4,074,064	(23,224)	(117,255)	(32,477,600)	7,643,974
Share issues:								
Fair value of shares issued pursuant to a joint venture agreement	100,000	15,000	-	-	-	-	-	15,000
Marketable securities reclassified to profit or loss	-	-	-	-	-	38,000	(38,000)	-
Stock-based compensation	-	-	113,413	-	-	-	-	113,413
Comprehensive loss for the year	-	-	-	-	(14,479)	23,150	(2,714,090)	(2,705,419)
Balance, August 31, 2014	74,140,252	29,667,503	6,648,899	4,074,064	(37,703)	(56,105)	(35,229,690)	5,066,968
Share issues:								
Fair value of shares issued pursuant to a joint venture agreement	100,000	8,500	-	-	-	-	-	8,500
Marketable securities reclassified to profit or loss	-	-	-	-	-	24,063	(24,063)	-
Stock-based compensation	-	-	132,307	-	-	-	-	132,307
Comprehensive loss for the year	-	-	-	-	(23,710)	(12,150)	(1,843,113)	(1,878,973)
Balance, August 31, 2015	**74,240,252**	**$ 29,676,003**	**$ 6,781,206**	**$ 4,074,064**	**$ (61,413)**	**$ (44,192)**	**$ (37,096,866)**	**$ 3,328,802**

1. NATURE AND CONTINUANCE 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, 2015, comprise the Company and its subsidiaries (Note 3). 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, 2015, 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, which could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“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 August 31, 2015.

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.

2. BASIS OF PRESENTATION *(continued)*

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 all of the Company's Canadian subsidiaries is the Canadian dollar, and the functional currency of all of the Colombian Branch operations is also 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 equipment</u>

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

<u>Carrying value and the recoverability of exploration and evaluation assets</u>

Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

<u>Share-based compensation</u>

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.

2. BASIS OF PRESENTATION *(continued)*

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

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Utilizing deferred tax assets, including those arising from unutilized tax losses, requires 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, its subsidiaries and branch operations from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

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. (“MAD I”)	Province of British Columbia	100%	Holding company
Miranda Gold Colombia II Ltd. (“MAD II”)	Province of British Columbia, with branch office in Colombia	100%	Mineral exploration company
Rovira Mining Limited (“Rovira”)	Province of British Columbia, with branch office in Colombia	100%	Mineral exploration company
Miranda Gold Colombia IV Ltd. (“MAD IV”)	Province of British Columbia, with branch office in Colombia	100%	Mineral exploration company
Miranda Gold Colombia V Ltd. (“MAD V”)	Province of British Columbia	30% (1)	Mineral exploration company

(1) – the option partners’ shares are subject to forfeiture, refer to Note 10

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Determination of control by one entity over another

Subsidiaries are entities controlled by the Company and are consolidated. Investments in associates and joint ventures are those entities in which the Company has significant influence, but not control or joint control, and are accounted for using the equity method.

As at September 1, 2015, Miranda owned a notional 40% interest in the Red Canyon Project limited liability company ("RCP LLC") (refer to note 10(j)). If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence over the investee, unless it can be clearly demonstrated that this is not the case. The Company used its judgment to determine that it has neither significant influence nor control over RCP LLC.

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 the Canadian dollar, 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.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized in operations on a declining balance basis or straight-line basis, over the estimated useful lives of each asset or component part of an item of equipment, the choice dependant on which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. For Colombia assets, the estimated useful lives for the current and comparative periods range from three to five years, straight-line. For Canadian and US assets, depreciation is taken on a declining balance basis, with depreciation rates ranging from 15% to 100%.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment 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 property, plant and equipment 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 will be assessed for impairment.

The Company assesses exploration and evaluation assets for impairment 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 a 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 or 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 all environmental disturbances to date has been minimal.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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 a finance cost. The Company has not recorded any provisions for any of the financial years presented.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets

(i) Financial assets at fair value through profit or 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 designated as effective hedges. Assets in this category include cash.

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 and advances.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

(iv) Impairment of financial assets *(continued)*

The carrying amount of all financial assets, excluding amounts receivable, is directly reduced by the impairment loss. The carrying value of amounts receivable 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.

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 issued as part of a unit offering financing 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. 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.

Stock-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 stock-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 stock-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.

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

Accumulated other comprehensive income

Accumulated other comprehensive income consists of the net income and other comprehensive income ("OCI"). The Company's 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.

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 substantively enacted by the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income taxes *(continued)*

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, 2015, 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. New standard, effective for annual periods beginning on or after January 1, 2018

<u>New standard **IFRS 9** *Financial Instruments – Classification and Measurement*</u>

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

ii. Narrow scope amendments upcoming, all effective January 1, 2016:

<u>**IFRS 11** *Accounting for Acquisitions of Interests in Joint Ventures*</u>

This amended is to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

<u>**IAS 16 & IAS 38** *Clarification of Acceptable Methods of Depreciation and Amortization*</u>

This amended is to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets.

<u>**IFRS 10 & IAS 28** *Sale or Contribution of Assets between and Investor and Its Associate or Joint Venture (the effective date of this amendment has been postponed indefinitely)*</u>

This amended is to provide guidance on the sale or contribution of assets between an investor and its associate or joint venture.

(stated in Canadian dollars)

4. 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, 2015**	August 31, 2014
Cash	FVTPL	**$ 2,901,091**	$ 4,181,474
Amounts receivable	Loans and receivables	**38,337**	343,205
Marketable securities	Available-for-sale	**122,000**	160,400
Advances	Loans and receivables	**28,267**	22,949
Accounts payable and accrued liabilities	Other liabilities	**(300,739)**	(208,012)

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.

(stated in Canadian dollars)

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

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, 2015
	Level 1	*Level 2*	*Level 3*	
Cash	$ 2,901,091	$ -	$ -	**$ 2,901,091**
Marketable securities	122,000	-	-	**122,000**
	$ 3,023,091	$ -	$ -	**$ 3,023,091**

During the year ended August 31, 2015:

a) The Company sold 250,000 shares of NuLegacy Gold Corporation ("NuLegacy") for net proceeds of $31,690, incurring a loss on sale of marketable securities of $18,623.

Financial Instrument	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total as at August 31, 2014
	Level 1	*Level 2*	*Level 3*	
Cash	$ 4,181,474	$ -	$ -	$ 4,181,474
Marketable securities	120,000	40,400	-	160,400
	$ 4,301,474	$ 40,400	$ -	$ 4,341,874

During the year ended August 31, 2014:

b) 100,000 of the common shares of Red Eagle Mining Corporation ("Red Eagle") were re-classified from Level 2 to Level 1 as the "hold period" had lapsed; and 100,000 common shares of Red Eagle were received and were recorded as Level 2, with an initial value of $22,000; and

c) The Company received 200,000 common shares of Prism Resources Inc. ("Prism") and they were initially recorded as Level 2, with a fair value of $18,400, as they were restricted from trading for four months.

4. 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 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 United States and maintains COP bank accounts in Colombia to support the cash needs of its foreign operations. Management does not hedge its foreign exchange risk. At August 31, 2015, one Canadian dollar was equal to $0.76005 US dollars and 2,315 Colombian Pesos.

Balances are as follows:

	US dollars	Colombian Pesos	Canadian dollar equivalent
Cash	2,049,831	339,620,855	2,843,679
Amounts receivable	24,083	-	31,686
Advances and deposits	4,000	53,251,042	28,267
	2,077,914	392,871,897	2,903,632
Accounts payable and accrued liabilities	(161,042)	(73,069,912)	(243,449)
Net monetary assets	**1,916,872**	**319,801,985**	**2,660,183**

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 $266,000 in the year.

(stated in Canadian dollars)

4. 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.

5. CASH

	As at August 31, 2015	As at August 31, 2014
Canadian dollar denominated deposits	**$ 57,412**	$ 4,017,125
US dollar denominated deposits	**2,696,963**	61,901
Colombian Peso denominated deposits held in Colombia	**146,716**	102,448
Total	**$ 2,901,091**	$ 4,181,474

6. AMOUNTS RECEIVABLE

	As at August 31, 2015	As at August 31, 2014
Amounts due from the Government of Canada pursuant to GST input tax credits	**$ 1,962**	$ 2,075
Amounts due from funding partners	**31,686**	332,359
Other amounts receivable	**4,689**	8,771
Total	**$ 38,337**	$ 343,205

(stated in Canadian dollars)

7. MARKETABLE SECURITIES

At August 31, 2015, the Company had the following marketable securities recognized at fair value:

			August 31, 2014	**August 31, 2015**		
Marketable Securities	Number of Shares	Cost	Accumulated unrealized holding gains (losses)	Unrealized gains (losses) for the year ended	Accumulated unrealized holding gains (losses)	**Fair Value as at August 31, 2015**
Publicly traded companies:						
Red Eagle Mining Corporation ("Red Eagle")	400,000	$ 147,792	$ (43,292)	$ 9,500	$ (33,792)	**$ 114,000**
NuLegacy Gold Corporation ("NuLegacy")	-	-	(12,813)	12,813	-	-
Prism Resources Inc. ("Prism")	200,000	18,400	-	(10,400)	(10,400)	**8,000**
		$ 166,192	$ (56,105)	$ 11,913	$ (44,192)	**$ 122,000**

During the year ended August 31, 2015, the Company sold 250,000 shares of NuLegacy for net proceeds of $31,690 ($0.12676 per share) and recorded a loss on sale of marketable securities of $18,623. The accumulated loss at the time of sale of $24,063 was reclassified from other comprehensive loss to profit or loss in the year.

			August 31, 2013	August 31, 2014		August 31, 2014
Marketable Securities	Number of Shares	Cost	Accumulated unrealized holding gains (losses)	Unrealized gains (losses) for the year ended	Accumulated unrealized holding gains (losses)	Fair Value
Publicly traded companies:						
NuLegacy Gold Corporation ("NuLegacy")	250,000	$ 50,313	$ (29,063)	$ 16,250	$ (12,813)	$ 37,500
Red Eagle Mining Corporation ("Red Eagle")	400,000	147,792	(50,192)	6,900	(43,292)	104,500
Prism Resources Inc ("Prism")	200,000	18,400	-	-	-	18,400
White Bear Resources Inc. ("White Bear")	-	-	(38,000)	38,000	-	-
		$ 216,505	$ (117,255)	$ 61,150	$ (56,105)	$ 160,400

During the year ended August 31, 2014, the Company sold 200,000 shares of White Bear for net proceeds of $2,000, realizing a loss of $38,000. The Company received 100,000 shares of Red Eagle and recorded those at Level 2 for $22,000; the Company received 200,000 shares of Prism and recorded those at Level 2 for $18,400, as they were restricted from trading for four months.

(stated in Canadian dollars)

8. ADVANCES AND PREPAID EXPENSES

		As at August 31, 2015		As at August 31, 2014
Advances held by employees in the USA	**$**	**5,263**	$	4,349
Advances held by employees and suppliers in Colombia		**23,004**		18,600
		28,267		22,949
Prepaid expenses in Canada		**48,090**		34,173
Prepaid expenses in the USA		**11,314**		26,291
Prepaid expenses in Colombia		**382**		763
Total	**$**	**88,053**	$	84,176

9. EQUIPMENT

	Canada	United States			Colombia		**TOTAL**
	Computer Equipment	Computer Equipment	Furniture and fixtures	Field equipment	Computer Equipment	Field equipment	
Cost							
At August 31, 2013	$ 24,324	$ 209,261	$ 18,116	$ 240,461	$ 83,691	$ 120,056	$ 695,909
Assets acquired	-	3,498	-	-	89	-	3,587
Assets disposed of	-	-	-	-	-	-	-
Foreign exchange adjustment	-	6,810	590	7,832	-	-	15,232
At August 31, 2014	24,324	219,569	18,706	248,293	83,780	120,056	714,728
Assets acquired	1,391	-	-	-	3,444	25,412	30,247
Assets disposed of	(24,324)	(156,030)	(10,039)	(173,609)	-	(41,494)	(405,496)
Foreign exchange adjustment	-	13,347	1,821	15,688	-	-	30,856
At August 31, 2015	$ 1,391	$ 76,886	$ 10,488	$ 90,372	$ 87,224	$ 103,974	$ 370,335
Accumulated depreciation							
At August 31, 2013	$ 21,505	$ 173,891	$ 13,175	$ 154,494	$ 42,430	$ 36,563	$ 442,058
Depreciation for the year	794	11,379	1,011	21,996	12,902	24,248	72,330
Assets disposed of	-	-	-	-	-	-	-
Foreign exchange adjustment	-	5,765	438	5,228	-	-	11,431
At August 31, 2014	22,299	191,035	14,624	181,718	55,332	60,811	525,819
Depreciation for the year	775	8,014	909	7,662	12,056	20,470	49,886
Assets disposed of	(22,865)	(140,005)	(9,255)	(142,616)	-	(34,878)	(349,619)
Foreign exchange adjustment	-	14,975	1,442	12,505	-	-	28,922
At August 31, 2015	$ 209	$ 74,019	$ 7,720	$ 59,269	$ 67,388	$ 46,403	$ 255,008
Carrying amounts							
At August 31, 2014	$ 2,025	$ 28,534	$ 4,082	$ 66,575	$ 28,448	$ 59,245	$ 188,909
At August 31, 2015	**$ 1,182**	**$ 2,867**	**$ 2,768**	**$ 31,103**	**$ 19,836**	**$ 57,571**	**$ 115,327**

(stated in Canadian dollars)

10. EXPLORATION and EVALUATION ASSETS

Miranda acquires mineral properties through application, staking and from third party vendors, some of which are subject to a net smelter return royalty ("NSR") or underlying lease payments. Subsequently, the Company may enter into agreements to sell a portion of its interest in its mineral properties to third parties in exchange for exploration expenditures, royalty interests and cash, and/or share based payments.

Miranda cannot guarantee title to all of its exploration and evaluation assets as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers and title may be affected by undetected defects. Certain of the mineral rights held by Miranda are held under applications for mineral rights, and until final approval of such applications is received, Miranda's rights to such mineral rights may not materialize, and the exact boundaries of Miranda's properties may be subject to adjustment.

Exploration and evaluation assets deferred to the statements of financial position at August 31, 2015 and 2014 are as follows:

	August 31, 2013	Additions	Recoveries	Write-off of assets	Effect of movement in exchange rates	August 31, 2014	Additions	Recoveries	Write-off of assets	Effect of movement in exchange rates	**August 31, 2015**
Nevada:											
East Spruce	$ 5,199	$ -	$ -	$ (5,307)	$ 108	$ -	$ -	$ -	$ -	$ -	**$ -**
Iron Point	51,307	-	-	-	1,672	52,979	-	-	(64,107)	11,128	**-**
Kibby Flat	9,868	-	-	-	321	10,189	-	-	(12,329)	2,140	**-**
Mustang	54,412	-	-	-	1,772	56,184	-	-	(67,986)	11,802	**-**
Red Canyon	-	-	-	-	-	-	-	-	-	-	**-**
Red Hill	-	-	-	-	-	-	-	-	-	-	**-**
Redlich	16,245	-	-	(16,584)	339	-	-	-	-	-	**-**
	137,031	-	-	(21,891)	4,212	119,352	-	-	(144,422)	25,070	**-**
Alaska:											
Willow Creek	-	163,840	-	-	(745)	163,095	-	-	-	34,260	**197,355**
Colombia:											
Cajamarca	33,600	-	-	(33,600)	-	-	-	-	-	-	**-**
Cerro Oro	-	105,002	(105,002)	-	-	-	102,824	(102,824)	-	-	**-**
Minagrande	15,555	-	-	-	-	15,555	-	-	(15,555)	-	**-**
Oribella	-	62,715	(43,901)	-	-	18,814	57,579	(40,305)	-	-	**36,088**
Pavo Real	2,200	15,000	(17,200)	-	-	-	131,290	-	-	-	**131,290**
	51,355	182,717	(166,103)	(33,600)	-	34,369	291,693	(143,129)	(15,555)	-	**167,378**
	$ 188,386	$ 346,557	$ (166,103)	$ (55,491)	$ 3,467	$ 316,816	$ 291,693	$ (143,129)	$ (159,977)	$ 59,330	**$ 364,733**

(stated in Canadian dollars)

10. EXPLORATION and EVALUATION ASSETS *(continued)*

Exploration and evaluation expenditures

Exploration and evaluation expenditures recorded in the consolidated statements of loss and comprehensive loss for the years ended August 31, 2015, 2014, and 2013 are as follows:

	Year ended August 31, 2015			Year ended August 31, 2014			Year ended August 31, 2013		
	Exploration Expenditures	Recoveries from funding partners	**Net Exploration Expenditures**	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:									
Angel Wing	$ -	$ -	**$ -**	$ -	$ -	$ -	$ 221,301	$ (219,665)	$ 1,636
Big Blue	14,616	-	**14,616**	58,588	-	58,588	60,738	-	60,738
Coal Canyon	-	-	**-**	-	-	-	797	(683)	114
East Spruce	-	-	**-**	11,853	-	11,853	2,101	-	2,101
Fuse	-	-	**-**	-	-	-	1,013	-	1,013
General exploration	20,555	-	**20,555**	117,898	-	117,898	274,869	-	274,869
HOG	-	-	**-**	-	-	-	238	-	238
Iron Point	16,942	-	**16,942**	52,824	-	52,824	68,872	-	68,872
Kibby Flat	12,787	-	**12,787**	35,558	-	35,558	57,085	-	57,085
Mustang	17,975	-	**17,975**	31,866	-	31,866	25,430	-	25,430
Red Canyon	19,105	-	**19,105**	110,389	(111,844)	(1,455)	-	-	-
Red Hill	17,480	-	**17,480**	76,337	-	76,337	59,773	(1,003)	58,770
Redlich	-	-	**-**	14,937	-	14,937	4,509	-	4,509
Rook	-	-	**-**	-	-	-	928	-	928
	119,460	-	**119,460**	510,250	(111,844)	398,406	777,654	(221,351)	556,303
Alaska:									
Ester Dome	-	-	**-**	-	-	-	41,371	-	41,371
Willow Creek	89,370	-	**89,370**	279,485	-	279,485	2,012	-	2,012
Colombia:									
Alliance expenditures	665,560	(465,892)	**199,668**	748,147	(523,703)	224,444	665,090	(465,563)	199,527
Pavo Real	-	-	**-**	-	-	-	392	(392)	-
General exploration	350,879	-	**350,879**	448,189	(12,189)	436,000	417,620	-	417,620
Cerro Oro	102,777	(102,777)	**-**	-	-	-	-	-	-
	1,119,216	(568,669)	**550,547**	1,196,336	(535,892)	660,444	1,083,102	(465,955)	617,147
Total	$ 1,328,046	$ (568,669)	**$ 759,377**	$ 1,986,071	$ (647,736)	$ 1,338,335	$ 1,904,139	$ (687,306)	$ 1,216,833

10. EXPLORATION and EVALUATION ASSETS *(continued)*

a) Angel Wing Property, Elko County, Nevada

The Angel Wing project was the subject of an exploration and option to enter into a joint venture agreement with Ramelius Resources Ltd. ("Ramelius") from September 17, 2010, until it was terminated on October 5, 2013. The Company contemporaneously terminated the underlying lease with Greg and Heidi Kuzma.

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

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. Certain of the Big Blue claims were the subject of an underlying lease with D. Jennings which was terminated on July 30, 2014. The Company allowed all of the Big Blue claims to lapse at August 31, 2015.

c) Coal Canyon Properties, Eureka County, Nevada

The Coal Canyon project was the subject of an exploration and option to enter into a joint venture agreement with NuLegacy from December 20, 2010, until it was terminated on January 25, 2013. The Company contemporaneously terminated the underlying lease with Nevada North Resources (USA) Inc.

d) East Spruce Property, Elko County, Nevada

The Company held claims comprising the East Spruce property, Elko County, Nevada, but allowed them to lapse in September 2014, and wrote off the balance of $5,307 at August 31, 2014.

e) Fuse Property, Eureka County, Nevada

The Company held claims comprising the Fuse property, Eureka County, Nevada, but allowed them to lapse in September 2013.

f) HOG Property, Eureka County, Nevada

The Company held claims comprising the HOG property, Eureka County, Nevada, but allowed them to lapse in September 2013.

g) Iron Point Property, Humboldt County, Nevada

The Company held claims comprising the Iron Point property, Humboldt County, Nevada, but allowed them to lapse in August 2015, and wrote off the balance of $64,107 at August 31, 2015.

h) Kibby Flat, Esmeralda County, Nevada

The Company held claims comprising the Kibby Flat property, Esmeralda County, Nevada, but allowed them to lapse in August 2015, and wrote off the balance of $12,329 at August 31, 2015.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

i) Mustang, Nye County, Nevada

During the year ended August 31, 2013, the Company staked claims and also acquired a 100% interest in Teslin River Resources Corp.'s ("Teslin") claims, all comprising the Mustang project. Teslin was granted a 1% NSR royalty on the claims acquired. Miranda dropped several of the claims, leaving 69 claims in the project. During the year ended August 31, 2015, Miranda sold the remaining 69 Mustang claims to Nevada North for consideration of a 1% net smelter returns royalty ("NSR") to Miranda, and wrote off the balance of $67,986.

j) Red Canyon Property, Eureka County, Nevada

On November 18, 2003, the Company entered into a 20-year mining lease with option to purchase (the "Lease") for the Red Canyon property, Eureka County Nevada with Red Canyon Corporation ("RCC"). The Lease is maintained by payment of minimum annual advance royalty payments. Upon completion of a bankable feasibility study, the Company can exercise the option to purchase by making a payment to RCC of US$1,000. The purchase is subject to RCC retaining a sliding scale NSR royalty between 3% and 5% depending on the price of gold. The Company will have the option to buy two percentage points of the NSR for US$1,000,000 per percentage point. This Lease has now been assigned to RCP LLC (as defined below).

On August 1, 2008, the Company signed an exploration and option to enter into a joint venture agreement with Montezuma Mines Inc. ("Montezuma") on the Red Canyon property. Montezuma has completed the US$4,000,000 in qualifying exploration expenditures to earn a 60% interest.

On August 28, 2015, the Company executed a Project Management Agreement for the formation and organization of a limited liability company (the "RCP LLC") to hold the Lease and related rights in respect of the Red Canyon, Nevada property and to conduct the operations contemplated under the Project Management Agreement. Having met the expenditure requirements of US$4.0 million under a now superseded exploration agreement (above); Montezuma owns 60% of the LLC and Miranda owns 40% of the LLC.

Montezuma has also paid Miranda US$360,000 as consideration for the option to buy-out Miranda's 40% interest in the LLC, with Miranda retaining a 0.5% NSR, upon meeting the purchase conditions during the term of the underlying lease. Until then, Montezuma will fund 100% of the costs of the LLC to maintain and advance the exploration of the Red Canyon property. If Montezuma fails to fund and meet its obligations pursuant to the Exploration Agreement and underlying lease, it will forfeit its interest in the LLC to Miranda.

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. On May 22, 2015, the Company gave notice of lease termination to Nevada North, and returned the property to them.

The Red Hill / Coal Canyon project was the subject of an exploration and option to enter into a joint venture agreement with NuLegacy from October 1, 2009, until it was terminated on January 25, 2013.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

l) Redlich Property, Esmeralda County, Nevada

The Company held claims comprising the Redlich Property, Esmeralda County, Nevada, subject to a 3% NSR royalty, but allowed them to lapse in September 2014, and wrote off the balance of $16,584 at August 31, 2014.

m) Rook Property, Eureka County, Nevada

The Company held claims comprising the Rook property, Eureka County, Nevada, but allowed them to lapse in September 2013.

n) TAZ Property, Eureka County, Nevada

From February 11, 2011, until the agreement was terminated on June 20, 2013, the TAZ Property was the subject of an exploration and option to enter into a joint venture agreement with TAZ Gold LLC and Navaho Gold PTY Ltd as guarantor. The Company held claims comprising the TAZ property, but allowed them to lapse in September 2013.

o) Willow Creek, Willow Creek mining district, Alaska

On November 15, 2013, Miranda entered into an 80-year mining lease for the Willow Creek property with Alaska Hardrock Inc. The Willow Creek Project consists of certain patented lode mining claims and State of Alaska lode mining claims. The terms of the lease require minimum annual lease payments of the greater of US$150,000 or the calculated production royalty according to the agreement, to be made on each January 15. The property is subject to various NSR's to various holders, the amounts of which are dependent on the price of gold, however, in aggregate would not exceed 5.8%, subject to the purchase of the 3.3% Renshaw Royalty (see below).

Lease Due Dates	**Minimum payment to Lessor** *(in US dollars)*
November 15, 2013 (paid)	50,000
January 15, 2014 (paid)	100,000
January 15, 2015 (paid by Gold Torrent)	150,000
January 15, 2016	150,000
January 15, 2017 and each year thereafter for the term of the lease	150,000

Effective November 5, 2014, Miranda signed an exploration and option to enter a joint venture agreement (the "Agreement") on the Willow Creek Project with Gold Torrent, Inc. ("Gold Torrent").

Miranda and Gold Torrent ultimately desire to form a limited liability joint venture on Gold Torrent's completion of its initial work commitment obligation in the amount of US$1,070,000 (the "Initial Earn-In Obligation"), which is a firm and unconditional obligation.

The term of the Agreement begins on November 5, 2014, and continues to and until the first amended extension of the effective date (now May 5, 2016), unless sooner accelerated, terminated or extended as provided in the Agreement.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

o) Willow Creek, Willow Creek mining district, Alaska *(continued)*

If Gold Torrent completes the Initial Earn-In Obligation, Gold Torrent shall have the option to enter the joint venture in accordance with the Agreement. On Gold Torrent's payment and performance of the Initial Earn-In Obligation and its election to exercise the option to acquire a vested undivided twenty percent (20%) in the Willow Creek Project, Miranda and Gold Torrent will execute and deliver to each other a definitive mining venture agreement for the formation of the joint venture based on the Rocky Mountain Mineral Law Foundation Exploration, Development and Mining LLC Model Form 5 Development and Mining Limited Liability Company Agreement ("Mining Venture Agreement") which shall incorporate the terms and conditions in the Agreement. The Mining Venture shall be an Alaska limited liability company.

Amended Earn-In Deadline	Earn-In Amount *(in US dollars)*	Cumulative Amount *(in US dollars)*	Participating Interest
May 5, 2016	$ 1,070,000	$ 1,070,000	20%
May 5, 2017	$ 2,440,000	$ 3,510,000	45%
May 5, 2018	$ 6,490,000	$10,000,000	70%

If Gold Torrent earns an undivided 70% interest in the Joint Venture, Gold Torrent shall be entitled to recoup, on an accelerated basis from the Joint Venture's distributable cash, Gold Torrent's Initial Earn-In Obligation and Additional Earn-In contributions (if any) (collectively the "Earn-In Amount") and the amount of Gold Torrent's actual contributions to the Joint Venture in excess of the Earn-In Amount (the "Excess Amount"). Gold Torrent shall recoup the Earn-In Amount from 90% of the Joint Venture's distributable cash and the ten percent (10%) balance of the Joint Venture's distributable cash shall be distributed to Miranda. On Gold Torrent's recoupment of the Earn-In Amount, Gold Torrent shall recoup the Excess Amount from eighty percent (80%) of the Joint Venture's distributable cash until Gold Torrent has recouped the Excess Amount in its entirety and the twenty percent (20%) balance of the Joint Venture's distributable cash shall be distributed to Miranda. On Gold Torrent's recoupment of the Earn-In Amount and the Excess Amount, the Joint Venture's distributable cash shall be distributed 70% to Gold Torrent and 30% to Miranda, respectively.

Renshaw Royalty purchase

On September 14, 2015, the Company reached an agreement with Mr. Daniel Renshaw ("Renshaw") for the purchase of his 3.3% royalty held on the Willow Creek, Alaska project. Miranda and Renshaw have separated the Renshaw royalty into the area that covers the patented mining claims on the west side of the project (the "'A' Royalty") and the area that covers the patented mining claims on the east side of the project (the "'B' Royalty"). The 'A' Royalty covers the area, including the Coleman resource, which is expected to be initially developed. The 'B' Royalty covers ground that is prospective for exploration including the Bullion Mountain targets.

Miranda has agreed to purchase up to 100% of the 'A' Royalty in a series of seven (7) contracts with each subsequent contract contingent on the prior contract being paid in full. Pursuant to each contract Miranda will purchase 0.4% to 0.5% % of the 'A' Royalty for each cumulative US$143,000 paid at the rate of US$5,000 per month plus interest, with the first payment commencing on October 31, 2015.

As each contract is paid Miranda will register its ownership of the 'A' Royalty purchased. If Miranda does not complete payment of any contract the remainder of the 'A' Royalty will remain with Renshaw. The seven contracts will be over an aggregate period of up to 200 months, but such contracts and payments can be accelerated and paid off at any time, providing that Miranda pays Renshaw the full payment of an aggregate US$1,000,000 of principal so that Miranda will have purchased the entire 3.3% 'A' Royalty.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

o) Willow Creek, Willow Creek mining district, Alaska *(continued)*

In addition, Renshaw has agreed to grant Miranda the option to purchase the 'B' Royalty, which option may be exercised at any time provided that the 'A' Royalty contracts are not in default. Miranda may purchase up to 100% of the 'B' Royalty for the aggregate amount of US$500,000 in principal to be paid under terms, conditions and installments that are consistent with those of the 'A' Royalty.

p) Cajamarca Option, Colombia

On May 7, 2014, the Company delivered a notice of termination to ExpoGold Colombia S.A. ("ExpoGold") on the Cajamarca property and wrote off the acquisition cost of $33,600 in the year ended August 31, 2014.

q) Cerro Oro, Colombia

On January 16, 2013, the Company entered into a lease agreement on the Cerro Oro property ("Cerro Oro Option") which required payment of US$10,000 on signing and a payment of US$80,000 upon conversion of the application to a license. To maintain the lease, annual escalating payments that total $625,000 over five years will be required and thereafter annual payments of US$135,000 on the following schedule. The project is also subject to a 1.2% production royalty and a per-ounce bonus for Measured and Indicated NI 43-101 compliant Resource and Reserves.

On April 1, 2014, an exploration contract for the Cerro Oro project was issued by Agencia Nacional de Minera ("ANM").

Cerro Oro Option Due Dates	Option payments *(in US dollars)*
May 10, 2014 (paid)	90,000
May 10, 2015 (paid)	75,000
May 10, 2016	90,000
May 10, 2017	105,000
May 10, 2018	120,000
May 10, 2019	235,000
May 10, 2020, and on each subsequent anniversary until commercial production is reached, as defined in the underlying agreement	135,000

On June 23, 2014, the Company entered into a share purchase agreement ("SPA") and a shareholder agreement ("SA") with Prism Resources Inc. ("Prism"), effectively forming a corporate option to joint venture on the Cerro Oro property. Pursuant to the SPA, Miranda assigned 70% of the shares of MAD V to Prism. MAD V will be the corporate vehicle that will ultimately hold the Colombian corporation that holds the Cerro Oro Option. The activities of MAD V are governed by the SA. To maintain its 70% shareholding in MAD V, effectively representing a 70% interest in the Cerro Oro Option, Prism must make an aggregate US$4,000,000 contribution to MAD V within five years on the following schedule. These funds will be used to fund exploration work on the Cerro Oro project.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

q) Cerro Oro, Colombia *(continued)*

Due Dates	Exploration Expenditures *(in US dollars)*
June 23, 2015 (obligation, met)	200,000
June 23, 2016 (obligation)	500,000
June 23, 2017	800,000
June 23, 2018	1,000,000
June 23, 2019	1,500,000
Total expenditure	**4,000,000**

Upon Prism funding the first US$4,000,000 of exploration, 51 of the 70 shares of MAD V owned by Prism shall not be subject to the forfeiture or transfer provisions of the SPA and Prism shall then have the option and right to fund through to completion, a feasibility study, and retain without forfeiture, the additional 19 of the 70 shares.

During the fiscal year 2014, Prism issued 200,000 common shares of Prism to Miranda valued at $18,400, and reimbursed Miranda for US$90,000 of lease fees that were paid by Miranda to the underlying leaseholder. Prism also reimbursed Miranda $12,189, for certain expenditures incurred prior to the execution of the SA.

r) Colombia Strategic Alliance ("Agnico Alliance")

Pursuant to the January 23, 2013, strategic alliance agreement, as amended, ("Amended Alliance Agreement") between the Company and Agnico for precious metal exploration in Colombia, the Company and Agnico will share funding 30:70, respectively, in generative exploration expenditures with Miranda as operator. The October 25, 2013 amendment reduced the three year exploration budget from US$3.3 million down to US$2.025 million; and in consideration for this reduction, the area of interest in Colombia was reduced. The alliance is for a period of three years (calendar 2013 to 2015) and is renewable thereafter by mutual consent. The exploration program budget was $925,000 in the first year, and will be no less than US$550,000 per year in the second and third years.

Initially, properties will be acquired by Miranda and alliance funding will be used to advance the projects through exploration. Once a property meets certain criteria, it will be presented to Agnico who can elect to treat the property as a Designated Property. Once selected, a Designated Property will be subject to a stand-alone earn-in agreement whereby Agnico can earn up to a 70% interest in the Designated Property by sole funding a series of exploration expenditures and a feasibility study. Projects that do not meet the criteria as Designated Properties will remain in the Company's control. Miranda can then choose to advance those projects at its own expense, seek another company to partner with, or drop the property.

s) Antares, Colombia (an Agnico Alliance project)

On October 9, 2015, the Company executed an option agreement (the "Antares Option") by and among Activos Mineros de Colombia S.A.S. ("AMC"), the Company, and the Company's subsidiary MAD II, and the Colombian Branch of MAD II to acquire the Antares property, with minimum operation payments due and a share issuance by the Company according to the schedule below. Upon commencing commercial production (as defined in the agreement), the minimum operation payments will cease and the payment of a 1.8% NSR will commence.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

t) Antares, Colombia (an Agnico Alliance project) *(continued)*

The Company must meet the following schedule to maintain the option:

Antares Option Due Dates	Minimum operation payments payable *(in US dollars)*	Common shares to be issued to AMC
October 9, 2015 (upon signing, paid subsequently)	$ 60,000	-
October 9, 2016	60,000	-
Upon registration of the Mining Concession Contract for the Antares property (payable 30-days subsequent)	70,000	-
Upon the first anniversary of the registration of the Mining Concession Contract (“Registration Date”)	80,000	150,000
Upon the second anniversary of the Registration Date	90,000	-
Upon the third anniversary of the Registration Date	100,000	-
Upon the fourth anniversary of the Registration Date	120,000	-
Upon the fifth anniversary of the Registration Date	120,000	-
Upon the sixth anniversary of the Registration Date, and for each successive anniversary	150,000	-

Further, to maintain the Antares Option, a schedule of work commitment expenditures must be made, beginning within the first two years following the Registration Date as follows:

Antares Option Work Commitment Due Dates	Minimum exploration expenditures *(in US dollars)*	Cumulative exploration expenditures *(in US dollars)*
Within the first two years of the Registration Date	$ 200,000	200,000
During the third year following the Registration Date	200,000	400,000
During the fourth year following the Registration Date	300,000	700,000
During the fifth year following the Registration Date	300,000	1,000,000
During the sixth year following the Registration Date	500,000	1,500,000
During the seventh year following the Registration Date	500,000	2,000,000

The above minimum exploration expenditure schedule may be suspended for up to two years in any period that the Company does not have a suitable joint venture partner funding expenditures on the project.

u) Minagrande, Colombia (an Agnico Alliance project)

On April 12, 2013, the Company paid *canon* fees (government fees) to Ingeominas in Colombia of $51,849 for acquisition of the Minagrande property, of which Miranda recovered $36,294 from Agnico Eagle Mines Limited (“Agnico”) pursuant to the Amended Alliance Agreement. During the fiscal year ended August 31, 2015, Miranda and Agnico agreed to abandon the Minagrande property, and Miranda wrote off the residual acquisition costs of $15,555.

10. EXPLORATION and EVALUATION ASSETS *(continued)*

v) Oribella, Colombia (an Agnico Alliance project)

On May 13, 2014, the Company acquired the Oribella project, in the Antioquia Department of Colombia, through a purchase agreement with Antioquia Gold Inc. ("Antioquia Gold"). The Oribella project comprises one exploration license and one application. Of the first-year acquisition costs of $62,715 incurred in the year ended August 31, 2014, 70% was recovered from Agnico ($43,901) according to the Amended Alliance Agreement.

During the fiscal year ended August 31, 2015, an additional $57,579 was spent on acquisition costs, and 70% of this ($40,305) was recovered from Agnico according to the Amended Alliance Agreement.

Oribella is subject to a 0.5% royalty to Antioquia Gold that can be purchased for US$1,500,000 and a 2% royalty to Soratama Gold (a wholly owned subsidiary of Barrick Gold Corporation). Miranda acquired the property, subject to the royalties, by making the license *canon* payment on May 14, 2014, of $62,715, and will also reimburse Antioquia Gold for the application payment of COP 101,136,976 (approximately US$46,000) when the property is registered with the ANM as a contract. If the application is converted to a license on or before the anniversary of the agreement, Miranda will pay Antioquia Gold an additional US$30,000 payment on the anniversary date. No other obligations are required to keep the project in good standing, and Miranda may drop or reduce the lands at any time.

w) 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 an earlier Association Agreement and the Company must meet the following to maintain the option:

Pavo Real Option Due Dates	Minimum advance royalty payments *(in US dollars)*	Common shares to be issued to ExpoGold
Previously paid and issued	$ 300,000	600,000
June 24, 2015, (paid and issued)	100,000	100,000
June 24, 2016	100,000	100,000
June 24, 2017, and on each subsequent anniversary	100,000	100,000

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 future milestones.

On June 25, 2010, the Company entered into a SPA and SA with Red Eagle Mining Corporation ("Red Eagle"), effectively forming a corporate option to joint venture on the Pavo Real property. These agreements (SPA and SA) were terminated on December 31, 2014, and the 70 shares of Rovira were returned to Miranda.

(stated in Canadian dollars)

10. EXPLORATION and EVALUATION ASSETS *(continued)*

w) Pavo Real Option, Colombia *(continued)*

On June 24, 2012, Miranda issued 100,000 common shares to ExpoGold valued at $33,000 pursuant to the Pavo Option Agreement. Miranda, in turn, received 100,000 shares of Red Eagle pursuant to the SPA, valued at $42,400, with the excess value of $9,400 of the Red Eagle shares over the Miranda shares taken into exploration and evaluation recoveries.

On June 14, 2013, Miranda issued 100,000 common shares to ExpoGold valued at $19,000 pursuant to the Pavo Option. Miranda, in turn, received 100,000 shares of Red Eagle pursuant to the SPA, valued at $16,800.

On June 13, 2014, Miranda issued 100,000 common shares to ExpoGold valued at $15,000 pursuant to the Pavo Option. Miranda, in turn, received 100,000 shares of Red Eagle pursuant to the SPA, valued at $22,000, with the excess value of $7,000 of the Red Eagle shares over the Miranda shares taken into exploration and evaluation recoveries.

On June 10, 2015, Miranda issued 100,000 common shares to ExpoGold valued at $8,500 pursuant to the Pavo Option.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		As at August 31, 2015		As at August 31, 2014
Trade and other payables in Canada	**$**	**53,044**	$	53,815
Trade and other payables in the USA		**22,213**		83,332
Trade and other payables in Colombia		**33,875**		36,092
Funding partner funds held exclusively for expenditures in Colombia		**162,711**		-
Amounts payable and accrued liabilities to related parties		**28,896**		34,773
Total	**$**	**300,739**	$	208,012

12. SHARE CAPITAL

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

b) **Share issuance:**

Fiscal 2015

On June 2, 2015, the Company issued 100,000 common shares to ExpoGold valued at $8,500 pursuant to the Pavo Real Option agreement.

Fiscal 2014

On June 13, 2014, the Company issued 100,000 common shares to ExpoGold valued at $15,000 pursuant to the Pavo Real Option agreement.

Fiscal 2013

On December 19, 2012, the Company completed a non-brokered private placement of 20,000,000 units at a price of $0.25 per unit, for gross proceeds of $5,000,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles 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 December 19, 2017. 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 April 20, 2013 and up December 19, 2014, 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. The proceeds of the financing of $5,000,000 were allocated on a relative fair value basis as $3,182,963 to common shares and $1,817,037 as to warrants. An additional 835,800 units at a value of $208,950 were issued as a finder's fee pursuant to the private placement, with the allocation on a relative fair value basis as $133,016 to common shares and $75,934 as to warrants. Cash share issue costs pursuant to this private placement were an additional $72,259. The assumptions used in the Black-Scholes option pricing model for the relative fair value allocation were: a risk-free interest rate of 1.34%; an expected volatility of 87%; an expected life of 5 years; and an expected dividend of zero.

On December 19, 2012, the Company issued 30,000 common shares to ExpoGold valued at $7,200 pursuant to the Cajamarca Option agreement.

On June 14, 2013, the Company issued 100,000 common shares to ExpoGold valued at $19,000 pursuant to the Pavo Real Option agreement.

(stated in Canadian dollars)

12. SHARE CAPITAL *(continued)*

c) Stock Options Outstanding:

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of a fixed number of not more than 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.

As at August 31, 2015, all of the outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.32. The intrinsic value of the vested stock options was $nil. The intrinsic value of the vested stock options outstanding at August 31, 2015, 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, 2015, being $0.10.

The continuity for stock options for the year ended August 31, 2015, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2014	Granted	Exercised	Expired	**Balance, August 31, 2015**
September 26, 2015	*$ 0.560*	1,435,000	-	-	(205,000)	**1,230,000**
December 1, 2015	*$ 0.690*	50,000	-	-	-	**50,000**
October 21, 2016	*$ 0.400*	1,510,000	-	-	(195,000)	**1,315,000**
September 24, 2017	*$ 0.305*	1,345,000	-	-	(140,000)	**1,205,000**
October 17, 2018	*$ 0.155*	1,142,500	-	-	(190,000)	**952,500**
September 3, 2019	*$ 0.145*	-	1,340,000	-	(100,000)	**1,240,000**
February 16, 2020	*$ 0.145*	-	100,000	-	-	**100,000**
		5,482,500	1,440,000	-	(830,000)	**6,092,500**
Weighted average exercise price		$ 0.370	$ 0.145	$ -	$ 0.337	**$ 0.322**

As at August 31, 2015, the weighted average remaining contractual life of the options outstanding was 2.1 years.

The continuity for stock options for the year ended August 31, 2014, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2013	Granted	Exercised	Expired	Balance, August 31, 2014
February 25, 2014	*$ 0.350*	1,842,000	-	-	(1,842,000)	-
September 26, 2015	*$ 0.560*	1,585,000	-	-	(150,000)	1,435,000
December 1, 2015	*$ 0.690*	50,000	-	-	-	50,000
April 19, 2016	*$ 0.560*	100,000	-	-	(100,000)	-
October 21, 2016	*$ 0.400*	1,785,000	-	-	(275,000)	1,510,000
September 24, 2017	*$ 0.305*	1,575,000	-	-	(230,000)	1,345,000
October 17, 2018	*$ 0.155*	-	1,142,500	-	-	1,142,500
		6,937,000	1,142,500	-	(2,597,000)	5,482,500
Weighted average exercise price		$ 0.406	$ 0.155	$ -	$ 0.372	$ 0.370

(stated in Canadian dollars)

12. SHARE CAPITAL *(continued)*

c) Stock Options Outstanding: *(continued)*

As at August 31, 2014, the weighted average remaining contractual life of the options outstanding was 2.5 years.

As at August 31, 2013, 6,149,500 of the outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.42. The intrinsic value of the vested stock options was $nil. The intrinsic value of the vested stock options outstanding at August 31, 2013, 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, 2013, being $0.185.

The continuity for stock options for the year ended August 31, 2013, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2012	Granted	Exercised	Expired / Cancelled / Forfeited	Balance, August 31, 2013
January 31, 2013	*$ 0.700*	1,040,000	-	-	(1,040,000)	-
February 25, 2014	*$ 0.350*	1,872,000	-	-	(30,000)	1,842,000
September 26, 2015	*$ 0.560*	1,660,000	-	-	(75,000)	1,585,000
December 1, 2015	*$ 0.690*	50,000	-	-	-	50,000
April 19, 2016	*$ 0.560*	100,000	-	-	-	100,000
October 21, 2016	*$ 0.400*	1,865,000	-	-	(80,000)	1,785,000
September 24, 2017	*$ 0.305*	-	1,575,000	-	-	1,575,000
		6,587,000	1,575,000	-	(1,225,000)	6,937,000
Weighted average exercise price		$ 0.478	$ 0.305	$ -	$ 0.663	$ 0.406

As at August 31, 2013, the weighted average remaining contractual life of the options outstanding was 2.4 years.

d) Stock-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.

Fiscal 2015

During the year ended August 31, 2015, the Company recorded $132,307 in stock-based compensation expense for options vesting in the period as follows:

a) vesting portion of options granted October 17, 2013, of $7,530;
b) immediate vesting of the 1,340,000 options granted September 3, 2014 of $117,769; and
c) immediate vesting of the 100,000 options granted February 16, 2015 of $7,008.

The fair value of the 1,340,000 options granted on September 3, 2014, was determined using a risk free interest rate of 1.45%, an expected volatility ranging from 84.03% to 84.67%, an expected life of ranging from 3.81 to 3.97 years, and an expected dividend of zero for a total fair value of $117,769 or $0.088 per option. The fair value of the 100,000 options granted on February 16, 2015, was determined using a risk free interest rate of 0.65%, an expected volatility of 95.11%, an expected life of 3.81 years, and an expected dividend of zero for a total fair value of $7,008 or $0.0701 per option. Volatility was determined using daily closing share prices over a term equivalent to the expected life of the options.

(stated in Canadian dollars)

12. SHARE CAPITAL *(continued)*

d) Stock-Based Compensation: (continued)

Fiscal 2014

During the year ended August 31, 2014, the Company recorded $113,413 in stock-based compensation expense for options vesting in the period as follows:

d) vesting portion of options granted September 24, 2012, of $10,670; and
e) vesting portion of options granted October 17, 2013, of $102,743.

The fair value of the 1,142,500 options granted on October 17, 2013, was determined using a risk-free interest rate of 1.73%, an expected volatility ranging from 79.34% to 85.25%, an expected life of ranging from 3.81 to 4.97 years, and an expected dividend of zero for a total fair value of $110,273 or $0.097 per option. Volatility was determined using daily closing share prices over a term equivalent to the expected life of the options.

Fiscal 2013

During the year ended August 31, 2013, the Company recorded $329,143 in stock-based compensation expense for options vesting in the period as follows:

a) vesting portion of options granted October 20, 2011, $31,490; and
b) vesting portion of options granted September 24, 2012, $297,653.

The fair value of the 1,575,000 options granted on September 24, 2012, was determined using a risk-free interest rate of 1.29%, an expected volatility ranging from 80.1% to 88.2%, an expected life of ranging from 3.81 to 4.97 years, and an expected dividend of zero for a total fair value of $308,321 or $0.196 per option. Volatility was determined using daily closing share prices over a term equivalent to the expected life of the options.

e) Share Purchase Warrants:

The continuity for share purchase warrants for the year ended August 31, 2015, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2014	Issued	Exercised	Expired	**Balance, August 31, 2015**
December 19, 2017	*$ 0.375*	20,835,800	-	-	-	**20,835,800**
		20,835,800	-	-	-	**20,835,800**
Weighted average exercise price		$ 0.375	$ -	$ -	$ -	**$ 0.375**

On December 16, 2014, the Company amended the price escalation of the outstanding share purchase warrants. The original terms of the warrants required that the exercise price of $0.375 would increase to $0.50 on December 19, 2014, and remain at that price until expiry. The Company amended the warrant exercise price so it would remain at $0.375 until expiry. In addition, the original terms of the warrants contained an escalated and accelerated expiry based on a 20-day volume weighted average price model which was also amended so as to remain at $0.50 for the life of the warrants.

(stated in Canadian dollars)

12. SHARE CAPITAL *(continued)*

e) Share Purchase Warrants: *(continued)*

The continuity for share purchase warrants for the year ended August 31, 2014, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2013	Issued	Exercised	Expired	Balance, August 31, 2014
October 29, 2013	*$ 0.60*	100,000	-	-	(100,000)	-
December 19, 2017	*$ 0.375*	20,835,800	-	-	-	20,835,800
		20,935,800	-	-	(100,000)	20,835,800
Weighted average exercise price		$ 0.376	$ -	$ -	$ 0.600	$ 0.375

The continuity for share purchase warrants for the year ended August 31, 2013, is as follows:

Expiry date	*Exercise price*	Balance, August 31, 2012	Issued	Exercised	Expired	Balance, August 31, 2013
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
December 19, 2017	*$ 0.375*	-	20,000,000	-	-	20,000,000
December 19, 2017	*$ 0.375*	-	835,800	-	-	835,800
		1,200,000	20,835,800	-	(1,100,000)	20,935,800
Weighted average exercise price		$ 0.721	$ 0.375	$ -	$ 0.732	$ 0.376

(stated in Canadian dollars)

13. 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 ("GO")	Consulting as CFO, Corporate Secretary, corporate compliance services and financial reporting
Mine Development Associates ("MDA")	Geology & geo-technical consulting

The Company incurred the following fees in connection with individuals and companies owned, or partially owned, by key management personnel and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

For the year ended	**August 31, 2015**	August 31, 2014	August 31, 2013
Consulting fees GO	**$ 123,789**	$ 121,012	$ 116,357
Consulting fees MDA	**1,746**	5,986	-
Reimburse office and general expenses GO	**6,124**	6,160	8,631
Total	**$ 131,659**	$ 133,158	$ 124,988

Advances held by related parties are disclosed in Note 8 and amounts owing to related parties are disclosed in Note 11.

The Company and Red Eagle were related parties in fiscal 2014 and to February 16, 2015, in that they had directors in common.

The Company and MDA were related parties via a director of Miranda (until September 11, 2014) and a senior executive of MDA.

b) Compensation of directors and members of key management personnel (CEO, CFO, Executive VP, Corporate Secretary):

The remuneration of directors and members of key management personnel, including amounts disclosed in Note 13(a), during the years ended August 31, 2015, 2014, and 2013 were as follows:

For the year ended	**August 31, 2015**	August 31, 2014	August 31, 2013
Consulting fees (1)	**$ 125,535**	$ 126,998	$ 116,357
Wages and benefits (2)	**453,149**	393,288	356,331
Directors fees	**36,918**	28,371	30,151
Share-based compensation	**94,755**	76,002	204,617
Total	**$ 710,355**	$ 624,659	$ 707,456

(1) – a portion of consulting fees are included in exploration and evaluation expenditures
(2) – a portion of Joseph Hebert's wages are included in exploration and evaluation expenditures

(stated in Canadian dollars)

14. SEGMENTED DISCLOSURE

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

Notes 9 and 10 provide disclosure as to the geographic location of equipment; the exploration and evaluation assets; and geographical exploration expenditures.

15. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (see Note 12). 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. The Company is not subject to any externally imposed capital restrictions.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the year ended	**August 31, 2015**	August 31, 2014	August 31, 2013
Non-cash investing and financing activities:			
Fair value of shares issued for exploration and evaluation assets	**$ 8,500**	$ 15,000	$ 26,200
Fair value of shares received for exploration and evaluation assets	**-**	40,400	24,000
Option recoveries in amounts receivable	**-**	51,046	-
Fair value of marketable securities exchanged for exploration and evaluation assets	**-**	-	6,000
Interest received	**$ 27,063**	$ 71,524	$ 94,471

(stated in Canadian dollars)

17. INCOME TAXES

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

	2015	2014	2013
Loss before income taxes	**$ (1,867,176)**	$ (2,752,090)	$ (3,215,753)
Expected income tax (recovery)	$ **(485,000)**	$ (716,000)	$ (817,000)
Change in statutory, foreign tax, foreign exchange rates, and other	**(1,185,000)**	(196,000)	(423,000)
Permanent differences	**268,000**	130,000	(98,000)
Share issue costs	**-**	(19,000)	(18,000)
Expiry of non-capital losses	**353,000**	-	-
Adjustments to prior years provisions versus statutory tax returns and expiry of losses	**(211,000)**	387,000	-
Change in unrecognized deductable temporary differences	**1,260,000**	414,000	1,356,000
Deferred income tax expense	$ **-**	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2015	Expiry Date Range	2014
Temporary differences			
Exploration and evaluation assets	**$ 7,527,000**	No expiry date	$ 6,999,000
Property and equipment	**123,000**	No expiry date	85,000
Share issue costs	**29,000**	2036-2037	44,000
Marketable securities	**44,000**	No expiry date	56,000
Allowable capital losses	**452,000**	No expiry date	60,000
Non-capital losses available for future period	**19,380,000**	2016-2035	16,242,000
Canada	**6,305,000**	2016-2035	5,683,000
USA	**13,075,000**	2020-2035	10,559,000

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

18. SUBSEQUENT EVENTS

Subsequent to August 31, 2015, and except where disclosed elsewhere:

a) On September 26, 2015, 1,230,000 options expired, unexercised; and

b) On December 1, 2015, 50,000 options expired, unexercised.