MIRANDA GOLD
CORP.

ANNUAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2009

MIRANDA GOLD
CORP.

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Dear Shareholders,

I would like to say thank you to those of you who have remained loyal shareholders during these turbulent times. To our new shareholders, I express our gratification in your interest in Miranda Gold. It is great to close the year on such a high note and I think you are going to like what 2010 has in store!

This time of year I always like to reflect on the accomplishments we have achieved and challenges we have met. We set out last January with goals of expanding our Nevada project portfolio, securing new funding partners, locating a new exploration jurisdiction where we could use our treasury to maximize shareholder value, and increasing market awareness. Although the year got off to a slow start, at year's end we have succeeded on all fronts and during the last quarter of this year the market responded to let us know that we are moving in the right direction. As a project generator we know that we must continuously evaluate our existing properties and add new projects that will attract new partners. In this regard, we have dropped four properties and acquired three new Nevada projects – Neon, Big Blue and TAZ, as well as Ester Dome, a district-scale project near Fairbanks, Alaska. Already we have had serious interest in two of those Nevada projects and Ester Dome. We anticipate that this interest will translate into new joint ventures that will provide additional project drilling in 2010. We also set out to secure new exploration funding agreements, the Red Hill project being a top priority. As you may recall, Barrick drilled 45 ft of 0.237 oz/t Au on this project. We had been looking for an aggressive partner to further test this mineralization until this fall when we partnered with NuLegacy Gold Corporation. Our biggest news, however, was our entry into what can only be described as the hottest country in the world for new discoveries: Colombia. All of these accomplishments caused our share price to move from the lows of the year to a high of over CA$0.70.

As most of you know, our main regional focus since my joining the company in November 2003 has been Nevada. Our team of geologists has been very successful in Nevada and therefore it was natural to form a company around this success. However, the reality is that Nevada exploration is quite mature and has become very expensive, and although we strongly believe that potential exists in Nevada, we felt it was in the best interest of our shareholders to include other areas of focus. With a very selective eye, Joe Hebert, Vice President of Exploration, has conducted due diligence on a number of regions over the last few years and ultimately brought to the Board of Directors Colombia as a new jurisdiction in which he felt we should apply our exploration talents.

We have been doing due diligence on Colombia for two years waiting for the right opportunity to arise. It did, in the form of a group of geologists with whom Joe had worked with in the late 90s, ExpoGold. Eager to work together again, Miranda Gold was able to strike a deal with ExpoGold whereby they would work with us on an exclusive basis to conduct generative exploration in Colombia. ExpoGold has a team of two geologists and a GIS specialist as well as a project portfolio of over 45 license applications, all of which we have a first right to acquire. They are our "people on the ground", a key to being successful in foreign jurisdictions. We are currently acquiring a project from their portfolio, Pavo Real, and are already in advanced negotiations with a possible exploration funding partner.

And finally, there is Alaska. Although Joe and I have both worked in Alaska, it was not our choice for expansion due to the costs associated with exploring in remote locals. However, when opportunity knocks, you answer. Joe knew of the Ester Dome project from his time with Placer Dome and had been watching it for several years. It had been tied up by a private company for 10 years and recently became available. We seized the opportunity to explore a district-scale gold play in the Fairbanks Mining District, an area with historic gold endowment in excess of one million ounces. The property is accessible by road and presents Miranda Gold with a new high-grade gold system to explore. The project is already garnering a lot of interest from potential exploration funding partners.

As 2010 approaches, I feel very confident in the groundwork we've laid and I am hopeful that these efforts will reap benefits for all of our shareholders. Although these new exploration programs will undoubtedly create additional expenditures, our treasury is still nicely cashed-up with CA$8.8 million. We project our 2010 annual burn rate to be approximately $2.4 million matched by expenditures from our exploration funding partners of at least $2 million. Already we can count on drill programs at four projects: Angel Wing, Red Hill, Red Canyon and Coal Canyon, with potential to see this number double. Thus, 2010 should be a good year for Miranda Gold and its shareholders with anticipated constant news flow and hopefully some excitement in the market as results come in.

Before I close, I want to acknowledge the fine work done by everyone associated with Miranda Gold, from the board of directors, our CFO, Doris Meyer, the employees, to our consultants. Specific credit goes to our employees. Our Investor Relations Manager, Fiona Grant, has largely contributed to our market success. Her ability to communicate with shareholders and to formulate strategies for market awareness has been critical to our success in 2009 and will no doubt be important in 2010. Joe had the vision and drive to sell me on Colombia as an area of exploration focus. He is an exceptional geologist and a pleasure to work with. He is excited about the possibilities for discovery in Colombia and when he gets excited, I listen. Steve Koehler and Brian Cellura, our Senior Geologists have advanced understanding of our Nevada projects and been instrumental in finding new partners. They will continue to be the backbone of our Nevada work while Joe spends time on our Colombian exploration program. Stacy Saari was hired in 2009 to take over our GIS (Geographic Information System) and is doing an excellent job. We welcome Jaime Diaz, Mauricio Calle and Angélica Ramírez of ExpoGold and look forward to working with them in Colombia. And me, I look forward to racking up even more air miles as 2010 looks even more demanding than 2009. I thank my wife for her patience.

As always, rest assured that we are working extremely hard to create value for your investments. We are greatly appreciative of your continued support and confidence in us. I thank you and the Miranda Gold team for a great 2009 and wish us all the best in the year to come.

Sincerely,

Ken Cunningham
President & CEO

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, 2009

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 Canadian GAAP.

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, mostly located in Nevada, and is dominantly, but not exclusively, focused on the Cortez Trend.

Results of Operations for the year ended August 31, 2009, 2008 and 2007

The Company incurred a loss of $2,336,961 (2008 - $3,048,182; 2007 - $3,064,083) and a comprehensive loss of $2,267,022 for the year ended August 31, 2009 (2008 - $3,079,024; 2007 - $3,064,083).

Expenses for the year ending August 31, 2009 were $2,659,086 (2008 - $3,670,037; 2007 - $3,551,446).

Significant differences between the years follow:

Investor relations and travel and business promotion combined to $337,637 for the year ended August 31, 2009 (2008 - $384,187; 2007 - $365,134). The investor relations programs in fiscal 2009 included attendance at six conferences, in-house bi-monthly newsletters, news releases, interviews (TV and radio), presentations and one-on-one meetings with brokers and analysts, media relations, corporate relations and web site maintenance and responses to inquiries.

Consulting fees and wages and benefits combined to $960,396 for the year ending August 31, 2009 (2008 - $772,534; 2007 - $757,706). The Company's President is based in Reno and the Company has four full time employees based in our exploration office in Elko, Nevada and one full time investor relations manager in Vancouver. The increase in the current year over the previous years was due to an increase in salaries and an increase in the use of investor relations and technical consultants.

Management fees for the year ending August 31, 2009 were $nil (2008 - $12,500; 2007 - $42,500). The fees for the 2008 and 2007 fiscal years were paid to Ubex Capital Inc., a company controlled by a Dennis Higgs, a director. Ubex is no longer paid management fees.

Office rent, telephone, secretarial and sundry costs was the next most significant cost for the year ended August 31, 2009 was $158,042 (2008 - $130,949; 2007 - $148,586). Reimbursements paid to Golden Oak for out-of-pocket office supplies, expenses, telephone and couriers for the year ended August 31, 2009 were $6,619 (2008 - $6,740; 2007 - $9,216). These costs are expected to continue at these levels. In the year ended August 31, 2007 a company controlled by Dennis Higgs was paid $10,000 for reimbursements of out-of-pocket costs.

Property exploration costs in the year ended August 31, 2009 were $469,110 were net of recoveries from funding partners of $318,005 (2008 - $583,203 net of $449,344; 2007 - $397,678 net of $402,442). In keeping with the Company's accounting policy exploration costs are expensed until such time as an economic reserve has been defined on the mineral property and a decision to proceed with development has been made. The Company acts as a service contractor to some of the Company's funding partners on certain properties for which it was paid a management fee of $16,920 in the year ended August 31, 2009 (2008 - $26,276; 2007 - $37,083).

In the year ended August 31, 2009 the Company received mineral property option payments totaling $238,837 (2008 - $140,946; 2007 - $298,845). In accordance with the Company's accounting policy, option payments received are first credited to the individual project's mineral property costs before any remaining portion is recognized as revenue. In the year ended August 31, 2009 the Company recognized $238,837 as mineral property option payments received in excess of cost (2008 - $140,946; 2007 - $168,331).

In fiscal year 2009 the Company was unsuccessful in finding partners to joint venture and fund the exploration costs of the Dame, Ettu, Horse Mountain and PQ projects and the Company wrote off $169,210 (2008 - $nil; 2007 - $nil) of mineral property costs.

The Company's projects are at the exploration stage and have not yet generated any revenue from production to date. Net losses have increased over the past four years as a result of administrative costs associated with the increase of activity and the Company acquiring several additional mineral projects.

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

B. Liquidity and Capital Resources

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

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

Miranda's revenue from operations to date includes management fees earned from acting as a service contractor to certain exploration funding partners and mineral property option proceeds from properties where all acquisition costs have been recovered. Miranda does not anticipate mining revenues from the sale of mineral production in the foreseeable future. The operations of Miranda 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. Miranda anticipates seeking additional equity investment from time to time to fund its activities that cannot be funded through other means.

Miranda began the 2009 fiscal year with cash and cash equivalents of $11,272,465. In the year ended August 31, 2009 the Company expended $1,549,887 on operating activities and $34,962 on investing activities to end on August 31, 2009 with $9,687,616 in cash and cash equivalents. The cash equivalent component of $9,429,180 is invested in Canadian federal government backed treasury bills and term investment certificates guaranteed by the Bank of Montreal.

There are 5,425,750 stock options outstanding pursuant to the shareholder approved stock option plan (the "Plan"). The majority of these stock options are "out-of-the-money".

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 "Results of Operations" 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 natural 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 metals 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.

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, 2009:

	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 Results of Operations and elsewhere in this 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, receipt of permits and approvals from governmental authorities.

MIRANDA GOLD
CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008
(Stated in Canadian Dollars)

MORGAN & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of
Miranda Gold Corp.

We have audited the consolidated balance sheets of Miranda Gold Corp. as at August 31, 2009 and 2008 and the consolidated statements of operations and comprehensive loss, cash flows, and shareholders' equity for the years ended August 31, 2009, 2008 and 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at August 31, 2009 and 2008 and the results of its operations and its cash flows for the years ended August 31, 2009, 2008 and 2007 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada — "Morgan & Company"

December 9, 2009 — Chartered Accountants

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MIRANDA GOLD CORP.

CONSOLIDATED BALANCE SHEETS
(Stated in Canadian Dollars)

		August 31 2009		August 31 2008
ASSETS				
Current				
Cash and cash equivalents	**$**	**9,687,616**	$	11,272,465
Amounts receivable		**18,769**		6,820
Interest receivable		**129,130**		234,325
GST receivable		**2,819**		30,421
Marketable securities (Note 4)		**141,425**		84,486
Advances and prepaid expenses		**71,398**		60,707
		10,051,157		11,689,224
Equipment (Note 5)		**127,025**		115,179
Mineral properties (Note 6)		**188,872**		342,974
	$	**10,367,054**	$	12,147,377
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	**$**	**93,058**	$	143,909
Shareholders' equity				
Share capital (Note 7)		**22,718,993**		22,718,993
Contributed surplus (Note 7)		**5,064,856**		4,527,306
Warrants (Note 7)		**1,168,817**		1,168,817
Accumulated other comprehensive income		**99,425**		29,486
Deficit		**(18,778,095)**		(16,441,134)
		10,273,996		12,003,468
	$	**10,367,054**	$	12,147,377

Nature of Operations (Note 1)
Subsequent Events (Notes 6 and 7)

Approved on behalf of the Board of Directors:

"Kenneth Cunningham"	*"G. Ross McDonald"*
Director	Director

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)

		Year ended August 31, 2009		Year ended August 31, 2008		Year ended August 31, 2007
Revenue						
Management fees earned	**$**	**16,920**	$	26,276	$	37,083
Mineral property income		**238,837**		140,946		168,331
Interest		**207,613**		454,633		281,949
		463,370		621,855		487,363
Expenses						
Amortization		**48,973**		43,799		34,867
Consulting		**160,233**		110,460		103,649
Foreign exchange		**(32,402)**		4,655		54,333
Insurance		**53,795**		53,940		37,122
Investor relations		**191,174**		258,868		295,833
Office rent, telephone, secretarial, sundry		**158,042**		130,949		148,586
Professional fees		**74,004**		66,375		66,408
Management fees		**-**		12,500		42,500
Property exploration costs (Schedule 1)		**469,110**		583,203		397,678
Stock based compensation		**537,550**		1,540,880		1,583,901
Travel and business promotion		**146,463**		125,319		69,301
Transfer agent and regulatory fees		**51,981**		77,015		63,211
Wages and benefits		**800,163**		662,074		654,057
		2,659,086		3,670,037		3,551,446
Loss before the following		**(2,195,716)**		(3,048,182)		(3,064,083)
Write-off of mineral properties		**(169,210)**		-		-
Gain on sale of marketable securities		**27,965**		-		-
Net loss for the year		**(2,336,961)**		(3,048,182)		(3,064,083)
Gain (loss) on marketable securities		**69,939**		(30,842)		-
Comprehensive loss for the year	**$**	**(2,267,022)**	$	(3,079,024)	$	(3,064,083)
Basic and diluted loss per share	**$**	**(0.05)**	$	(0.07)	$	(0.08)
Weighted average number of shares outstanding		**44,892,010**		44,389,119		38,215,329

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

	Year ended August 31, 2009	Year ended August 31, 2008	Year ended August 31, 2007
Cash flows to operating activities			
Net loss for year	**$ (2,336,961)**	$ (3,048,182)	$ (3,064,083)
Amortization	**48,973**	43,799	34,867
Accrued interest income	**105,195**	(154,122)	(70,910)
Write-off of mineral properties	**169,210**	-	-
Stock based compensation	**537,550**	1,540,880	1,583,901
Gain on sale of marketable securities	**(27,965)**	-	-
Non cash mineral property income	**-**	-	(29,399)
Change in non-cash working capital items:			
Amounts receivable	**(11,949)**	190,430	(169,667)
GST receivable	**27,602**	(15,111)	(10,743)
Advances and prepaid expenses	**(10,691)**	20,181	(16,259)
Accounts payable and accrued liabilities	**(50,851)**	57,112	(2,360)
	(1,549,887)	(1,365,013)	(1,744,653)
Cash flows from (to) investing activities			
Proceeds from sale of marketable securities	**60,965**	-	-
Mineral property option recoveries	**-**	-	130,514
Equipment purchases	**(60,819)**	(40,593)	(45,972)
Mineral property acquisitions	**(35,108)**	(81,895)	(81,944)
	(34,962)	(122,488)	2,598
Cash flows from financing activities			
Issue of share capital	**-**	5,338,288	2,773,838
Share issue costs	**-**	(59,472)	-
	-	5,278,816	2,773,838
Increase (decrease) in cash and cash equivalents	**(1,584,849)**	3,791,315	1,031,783
Cash and cash equivalents, beginning of year	**11,272,465**	7,481,150	6,449,367
Cash and cash equivalents, end of year	**$ 9,687,616**	$ 11,272,465	$ 7,481,150
Cash and cash equivalents is comprised of:			
Cash	**$ 258,436**	$ 522,465	$ 481,150
Short-term deposits	**9,429,180**	10,750,000	7,000,000
	$ 9,687,616	$ 11,272,465	$ 7,481,150

Supplemental disclosure of non-cash financing and investing activities note 11.

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years ended August 31, 2009, 2008 and 2007
(Stated in Canadian Dollars)

	Number of Shares	Share capital	Contributed Surplus	Warrants	Accumulated other comprehensive income	Deficit	Total Shareholders' equity
Balance, August 31, 2006	36,266,510	$ 15,528,015	$ 1,687,785	$ -	$ -	$ (10,239,153)	$ 6,976,647
Adjustment for adoption of accounting policy (Note 2 (e))	-	-	-	-	-	(89,716)	(89,716)
Balance, August 31, 2006, as restated	36,266,510	15,528,015	1,687,785	-	-	(10,328,869)	6,886,931
Share issues:							
Exercise of warrants	2,494,500	2,371,725	(12,300)	-	-	-	2,359,425
Exercise of stock options	798,750	689,570	(275,157)	-	-	-	414,413
Fair value of share purchase warrants issued pursuant to a mineral property agreement	-	-	17,575	-	-	-	17,575
Stock based compensation	-	-	1,583,901	-	-	-	1,583,901
Net loss for the year	-	-	-	-	-	(3,064,083)	(3,064,083)
Balance, August 31, 2007	39,559,760	18,589,310	3,001,804	-	-	(13,392,952)	8,198,162
Adjustment for adoption of accounting policy (Note 2 (e))	-	-	-	-	60,310	-	60,310
Share issues:							
Private placement	4,460,000	3,581,118	-	1,101,882	-	-	4,683,000
Finders' fee	253,500	203,546	-	62,629	-	-	266,175
Share issue costs	-	(325,647)	-	-	-	-	(325,647)
Exercise of warrants	563,750	655,816	(15,378)	-	-	-	640,438
Exercise of stock options	55,000	14,850	-	-	-	-	14,850
Fair value of share purchase warrants issued pursuant to a mineral property agreement	-	-	-	4,306	-	-	4,306
Stock based compensation	-	-	1,540,880	-	-	-	1,540,880
Net loss for the year	-	-	-	-	-	(3,048,182)	(3,048,182)
Unrealized loss on marketable securities	-	-	-	-	(30,824)	-	(30,824)
Balance, August 31, 2008	44,892,010	22,718,993	4,527,306	1,168,817	29,486	(16,441,134)	12,003,468
Stock based compensation	-	-	537,550	-	-	-	537,550
Net loss for the year	-	-	-	-	-	(2,336,961)	(2,336,961)
Realized gain on marketable securities	-	-	-	-	(500)	-	(500)
Increase in unrealized holding gains on marketable securities	-	-	-	-	70,439	-	70,439
Balance, August 31, 2009	**44,892,010**	**$ 22,718,993**	**$ 5,064,856**	**$ 1,168,817**	**$ 99,425**	**$ (18,778,095)**	**$ 10,273,996**

See notes to consolidated financial statements

MIRANDA GOLD CORP.

SCHEDULE 1
PROPERTY EXPLORATION COSTS
(Stated in Canadian Dollars)

	Year ended August 31, 2009		
	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:			
Angel Wings	$ 69,885	$ (69,885)	**$ -**
BPV	7,094	(7,094)	**-**
Coal Canyon	122,709	(122,709)	**-**
CONO	12,044	(12,044)	**-**
FUSE	1,776	-	**1,776**
General exploration	273,747	(10,805)	**262,942**
Horse Mountain	3,276	-	**3,276**
Iron Point	36,508	(36,508)	**-**
Neon	16,239	-	**16,239**
Big Blue	1,650	-	**1,650**
Red Canyon	58,960	(58,960)	**-**
Red Hill	16,178	-	**16,178**
Redlich	42,449	-	**42,449**
	662,515	(318,005)	**344,510**
Mexico:			
Property investigation costs	124,600	-	**124,600**
Property exploration costs	$ 787,115	$ (318,005)	**$ 469,110**

	Year ended August 31, 2008		
	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:			
Angel Wings	$ 179,373	$ (179,373)	$ -
BPV	7,942	(7,585)	357
Coal Canyon	33,923	(32,989)	934
CONO	11,425	(10,796)	629
DAME	22,107	-	22,107
ETTU	244	-	244
General exploration	263,377	-	263,377
Horse Mountain	5,249	-	5,249
Iron Point	142,483	(142,483)	-
PPM	45,100	(14,542)	30,558
Pequop	8,412	-	8,412
Red Canyon	53,418	(51,508)	1,910
Red Hill	13,031	(10,068)	2,963
Redlich	54,689	-	54,689
	840,773	(449,344)	391,429
Utah:			
Lookout	44,557	-	44,557
Mexico:			
Property investigation costs	147,217	-	147,217
Property exploration costs	$ 1,032,547	$ (449,344)	$ 583,203

	Year ended August 31, 2007		
	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:			
Angel Wings	$ 94,342	$ (88,702)	$ 5,640
BPV	9,135	-	9,135
Coal Canyon	71,492	(50,357)	21,135
CONO	15,664	-	15,664
DAME	4,487	-	4,487
ETTU	4,638	-	4,638
General exploration	174,684	-	174,678
Horse Mountain	1,258	-	1,258
Iron Point	159,384	(156,866)	2,518
PPM	17,795	(2,764)	15,031
Red Canyon	106,604	(103,753)	2,851
Red Hill	2,365	-	2,365
Redlich	4,264	-	4,264
	666,112	(402,442)	263,664
Utah:			
Lookout	134,014	-	134,014
Property exploration costs	$ 800,126	$ (402,442)	$ 397,678

See notes to consolidated financial statements

1. NATURE OF OPERATIONS

Miranda Gold Corp. (the "Company") is incorporated in British Columbia, Canada, and is in the business of acquiring and exploring mineral properties in the western United States and Mexico and has not yet determined whether its properties contain ore reserves. The recoverability of the amounts spent for mineral properties is dependent upon the existence and proving of 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. To date the Company has not earned significant revenues and the Company is in the exploration stage.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. As at August 31, 2009, the Company had an accumulated deficit of $18,778,095 and working capital of $9,958,099.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation and Consolidation

These financial statements include the accounts of the Company and its wholly owned U.S. subsidiary, Miranda U.S.A., Inc. The Company's wholly owned Mexican subsidiary, Minas Miranda S.A. de C.V. is inactive. Significant intercompany transactions and balances were eliminated on consolidation.

b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses for the periods reported. Actual results could differ from these estimates. Significant estimates and assumptions include those related to the recoverability of deferred mineral property expenditures, estimated useful lives of equipment, determination as to whether costs are expensed or deferred, the existence of asset retirement obligations, stock based compensation valuations and values ascribed to related party transactions and balances and future income tax assets and liabilities. Actual results could differ from these estimates.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock based compensation and share purchase warrants issued in a private placement of units. The Company uses historical data to determine volatility in accordance with Black-Scholes modelling, however the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on share based compensation and hence results of operations, there is no impact on the Company's financial condition.

c) Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents comprise highly liquid short term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

d) Equipment

Equipment is recorded at cost and is amortized over the economic lives using the declining balance method using the following rates: Computer equipment 30%; Field equipment 25% and Furniture and fixtures 20%.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Mineral Properties and Exploration Expenditures

During the year ended August 31, 2007, the Company changed its accounting policy for mineral property exploration expenditures. In prior years, the Company capitalized the acquisition cost of mineral properties and deferred exploration expenditures directly related to specific mineral properties, net of recoveries received. The impact of this change was to decrease mineral properties by $450,965, increase the deficit by $361,249 and increase the loss by $89,716 for the year ended August 31, 2006.

Mineral property exploration 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. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

Mineral property acquisition costs are capitalized and include cash consideration and the fair value of common shares and warrants issued for mineral property interests. These costs are amortized over the estimated life of the property following commencement of commercial production. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. For property acquired under an option agreement or by joint venture, where payments are made at the sole discretion of the Company, payments are recorded in the accounts at the time of payment.

Mineral property option payments received are first credited to the individual project's mineral property costs before any remaining portion is recognized as revenue.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

f) Impairment of Long-Lived Assets

The Company periodically evaluates the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when estimated future cash flows resulting from the use of an asset and its eventual disposition is less than its carrying amount.

A mining enterprise in the development stage is not obliged to conclude that capitalized costs have been impaired due to the absence of a projected estimated future net cash flow from the mining enterprise. Mineral properties in the development stage do not have established mineral reserves and a basis for the preparation of a projection of the estimated future net cash flow from the properties does not exist. However, a mining enterprise is required to consider the conditions for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired the capitalized costs is written down to the estimated recoverable amount. No impairment was identified at August 31, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Income Taxes

Income taxes are calculated using the asset and liability method of accounting. Under this method current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on temporary differences between the tax basis of an asset or liability and its carrying amount on the balance sheet and on unclaimed losses carried forward. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. A valuation allowance is recognized to the extent that the recoverability of future income tax assets is not considered more likely than not.

h) Loss per Share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. Basic and diluted loss per share is equal for the years ended August 31, 2009, 2008 and 2007 as outstanding stock options and warrants were all anti-dilutive.

i) Foreign Currency Translation

These financial statements are presented in Canadian dollars unless otherwise stated. Transactions recorded in United States dollars have been translated into Canadian dollars using the Temporal Method as follows:

i) monetary items at the rate prevailing at the balance sheet date;
ii) non-monetary items at the historical exchange rate;
iii) revenue and expense at the average rate in effect during the applicable accounting period.

Gains or losses arising on translation are included in the results of operations.

j) Asset Retirement Obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. As at August 31, 2009 and 2008, the Company had no material asset retirement obligations in respect to its mineral properties interests.

k) Share capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option and warrant enabled the holder to purchase a share in the Company, together with any fair value ascribed to the option or warrant at the time of grant or issue.

Share capital issued for non-monetary consideration is recorded at an amount based on fair value.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values determined using the Black Scholes pricing model.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Warrants

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

m) Stock Based Compensation

The Company's Stock Option Plan provides for granting of stock options to directors, officers, employees and consultants. The Company's stock compensation expense is based on the fair value of the options on the date of grant, determined using the Black-Scholes option-pricing model. Compensation costs are expensed using the accelerated method over vesting periods with a corresponding increase to contributed surplus. Stock options issued to outside consultants that vest over time are valued and adjusted on each vesting date as the services are rendered. Upon exercise of the stock options consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

n) Financial Instruments - Recognition and Measurement

The Company classifies financial instruments as held for trading, held to maturity, available for sale, held for trading, loans and receivables or other liabilities. Financial assets classified as held to maturity, loans and other receivables and other liabilities are measured at amortized cost. Available for sale financial instruments are measured at fair value with unrealized gains and losses recorded in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in the income statement for the period.

p) Comprehensive Income

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

For the Company, OCI is comprised of the unrealized gains and losses on its marketable security investments. Cumulative changes in OCI are included in Accumulated Other Comprehensive Income which is presented as a new category within shareholders' equity on the balance sheet.

New accounting standards:

Effective September 1, 2008, the Company adopted the following new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"). There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

a) Section 1400 - General standards of financial statement presentation

The Company implemented this Section which required the Company to include management's assessment and disclosure of an entity's ability to continue as a going concern. Disclosures required by this standard are included in Note 1.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Section 3862 – Financial instruments – disclosures

This Section requires the Company to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Disclosures required by this standard are included in Note 3.

c) Section 3863 – Financial instruments – presentation

This Section was issued to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The initial adoption of this standard did not have an effect on the financial statements.

d) Section 1535 – Capital disclosures

This Section requires the disclosure of qualitative and quantitative information that enables the users to evaluate the Company's objectives, policies and processes for managing capital as well as the implications of non-compliance. Disclosures required by this standard are included in Note 8.

Recent accounting pronouncements

e) Goodwill and intangible assets

The CICA issued a new accounting standard, Section 3064 "Goodwill and Intangible Assets" which will replace the existing Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This standard is effective for the Company's interim and annual financial statements commencing September1, 2009. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

f) Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning June 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) International financial reporting standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of September 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

h) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173, "*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*". The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities. EIC 173 will be applicable for the Company's interim and annual financial statement for its fiscal year beginning September 1, 2010 and management is currently assessing its impact on the Company's interim and annual financial statements for fiscal 2010.

3. FINANCIAL INSTRUMENTS

Financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities.

Financial Risk Management
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, interest receivable, marketable securities, and accounts payable and accrued liabilities.

The Company has classified cash and cash equivalents as held-for-trading. Amounts receivable, interest receivable and advances are classified as loans and receivables, and accounts payable and accrued liabilities as other liabilities, all of which are measured at amortized cost. The Company's investments in marketable securities are designated as available for sale.

The fair values of cash and cash equivalents, amounts receivable, interest receivable, advances, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The Company's investments in marketable securities are measured at fair value.

Financial Instrument Risk Exposure
The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk
The Company's only exposure to credit risk is on its bank accounts and cash equivalents. Bank accounts are with high credit quality financial institutions. Cash equivalents comprise highly liquid short term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk
The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand.

Interest Rate Risk
The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Exchange Risk
As at August 31, 2009 the majority of the Company's cash was held in Canada in Canadian Dollars. The Company's significant operations are carried out in Nevada. As a result a portion of the Company's working capital is denominated in United States Dollars and is therefore subject to fluctuation in exchange rates.

At August 31, 2009, the foreign exchange rate of the United States Dollar to the Canadian Dollar was $1.095 and the following assets and liabilities were denominated in United States Dollars:

	$US
Cash and cash equivalents	75,711
Amounts receivable	16,543
Advances	15,722
Accounts payable and accrued liabilities	(42,390)
Net assets	**65,586**

The following sensitivity analysis assumes all other variables remain constant and is based on the above net exposures. A 10% appreciation or depreciation of the United States Dollar against the Canadian Dollar would result in an approximate $7,000 decrease or increase, respectively, in net loss for the year and shareholder's equity.

Price risk
The Company is exposed to price risk on its marketable securities with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

3. FINANCIAL INSTRUMENTS (continued)

At August 31, 2009, the Company had the following cash equivalents recorded at fair value:

Held-for-trading Securities	Maturity date	Quantity at cost	Accumulated unrealized gains	Fair Value
Government of Canada Treasury Bill – 2.586%	September 3, 2009	$4,499,565	$910	$4,500,475
Bank of Montreal Guaranteed Investment Certificate -0.25%	May 18, 2010	900,000	-	900,000
Montreal Trust Guaranteed Investment Certificate – 1.4%	January 20, 2010	2,010,000	-	2,010,000
Government of Canada Treasury Bill – 0.525%	February 18, 2010	2,017,250	1,455	2,018,705
		$9,426,815	$2,365	$9,429,180

4. MARKETABLE SECURITIES

At August 31, 2009, the Company has the following marketable securities recognized at fair value:

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains (loss)	Fair Value
Publicly traded companies:				
Golden Aria Corp.	250,000	**$ -**	**$ 16,425**	**$ 16,425**
Romarco Minerals Inc.	100,000	**22,000**	**83,000**	**105,000**
		22,000	**99,425**	**121,425**
Non-public companies:				
White Bear Resources Inc.	200,000	**20,000**	**-**	**20,000**
Queensgate Resources Corporation	300,000	**-**	**-**	**-**
		$ 42,000	**$ 99,425**	**$ 141,425**

At August 31, 2008, the Company has the following marketable securities recognized at fair value:

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains (loss)	Fair Value
Publicly traded companies:				
Golden Aria Corp.	250,000	$ -	$ 40,736	$ 40,736
Romarco Minerals Inc.	250,000	55,000	(11,250)	43,750
		55,000	29,486	84,846
Non-public companies:				
White Bear Resources Inc.	200,000	-	-	-
Queensgate Resources Corporation	100,000	-	-	-
		$ 55,000	$ 29,486	$ 84,486

4. MARKETABLE SECURITIES (continued)

The Company sold 150,000 common shares of Romarco Minerals Inc. ("Romarco"). during the year ended August 31, 2009. Prior to selling the shares the Company had recorded an unrealized gain of $500 to other comprehensive income ("OCI") which was offset on the sale of investment for a realized gain of $27,965.

The Company recorded an unrealized gain of $94,750 on the shares Romarco and an unrealized loss of $24,311 on the shares of Golden Aria Corp. in OCI in the year ended August 31, 2009.

The Company recorded the fair value of the 200,000 common shares of White Bear Resources Inc. at $0.10 being the price of an initial public offering that closed on November 10, 2009 (Note 6).

5. EQUIPMENT

	August 31, 2009		
	Cost	**Accumulated amortization**	**Net Book Value**
Computer equipment	**$ 129,204**	**$ (86,559)**	**$ 42,645**
Furniture and fixtures	**17,002**	**(9,334)**	**7,668**
Field equipment	**180,717**	**(104,005)**	**76,712**
	$ 326,923	**$ (199,898)**	**$ 127,025**

	August 31, 2008		
	Cost	Accumulated amortization	Net Book Value
Computer equipment	$ 107,392	$ (59,556)	$ 47,836
Furniture and fixtures	17,002	(7,306)	9,696
Field equipment	141,711	(84,064)	57,647
	$ 266,105	$ (150,926)	$ 115,179

6. MINERAL PROPERTIES

	August 31, 2008	Additions	Recoveries	Write off of interest	August 31, 2009
Nevada:					
Angel Wings	$ 60,734	$ -	$ (10,000)	$ -	**$ 50,734**
Big Blue	-	-	-	-	**-**
BPV	11,325	-	-	-	**11,325**
CONO	11,325	-	-	-	**11,325**
Coal Canyon	11,325	-	-	-	**11,325**
DAME	72,584	-	-	(72,584)	**-**
Ester Dome	-	-	-	-	**-**
ETTU	25,925	-	-	(25,925)	**-**
Fuse	-	-	-	-	**-**
Horse Mountain	39,569	-	-	(39,569)	**-**
Iron Point	63,555	-	(10,000)	-	**53,555**
Neon	-	4,780	-	-	**4,780**
PQ	31,132	-	-	(31,132)	**-**
PPM	-	-	-	-	**-**
Red Canyon	-	-	-	-	**-**
Redhill	-	30,328	-	-	**30,328**
Redlich	15,500	-	-	-	**15,500**
Mineral properties	$ 342,974	$ 35,108	$ (20,000)	$ (169,210)	**$ 188,872**

6. MINERAL PROPERTIES (continued)

	August 31, 2007	Additions	Recoveries	Write off of interest	August 31, 2008
Nevada:					
Angel Wings	$ 60,734	$ 39,009	$ (39,009)	$ -	$ 60,734
BPV	11,325	-	-	-	11,325
CONO	11,325	-	-	-	11,325
Coal Canyon	11,325	-	-	-	11,325
DAME	72,584	-	-	-	72,584
ETTU	25,925	-	-	-	25,925
Fuse	-	-	-	-	-
Horse Mountain	-	39,569	-	-	39,569
Iron Point	63,555	15,251	(15,251)	-	63,555
PPM	-	-	-	-	-
PQ	-	31,132	-	-	31,132
Red Canyon	-	48,356	(48,356)	-	-
Red Hill	-	20,102	(20,102)	-	-
Redlich	-	15,500	-	-	15,500
Mineral properties	$ 256,773	$ 208,919	$ (122,718)	$ -	$ 342,974

a) Angel Wings Property, Elko County, Nevada

In September 2005, the Company staked claims on northern projections of the vein system at Angel Wings.

On October 27, 2005 the Company entered into a 20 year mining lease for 30 mining claims with a private party with a sliding scale production royalty between 2% to 4% depending on the price of gold, for minimum advance royalty payments to be completed on the following schedule. On December 19, 2006 the Company amended the agreement and increased the size of the lease from 30 mining claims to 87 mining claims. The Company has the option to buy up to two percentage points of the royalty for US$1,000,000 per percentage point. However, the royalty shall never drop below 1% regardless of the price of gold.

Mining Lease Due dates	**Minimum advance royalty payments to Lessor US$**
Prior to August 31, 2005 (paid)	35,000
October 27, 2006 (paid)	35,000
October 27, 2007 (paid)	40,000
October 27, 2008 (paid)	45,000
October 27, 2009	55,000
October 27, 2010	65,000
October 27, 2011	75,000
October 27, 2012 $85,000 and each year thereafter	1,190,000
Total consideration	**1,540,000**

On May 15, 2007, as amended, the Company signed an exploration agreement with option to joint venture with White Bear Resources Inc. (“White Bear”) whereby White Bear may earn a 60% interest by paying the Company US$30,000, by issuing the Company 100,000 common shares (received) of White Bear and by expending US$2,000,000 over five years. White Bear may then elect to earn an additional 10% interest by completing a bankable feasibility study within five years of election or by funding US$10,000,000 in additional exploration. Until November 11, 2009, White Bear was a private company and the Company had not assigned a fair value to the White Bear common shares received. At August 31, 2009 the Company assigned the value of C$0.10 per share to the first 100,000 common shares received being the November 10, 2009 initial public offering price of the White Bear shares. On May 15, 2009 the Company and White Bear agreed to extend the exploration commitment dates by a one year period so that the revised exploration expenditure dates are now:

6. MINERAL PROPERTIES (continued)

Due Dates	Exploration Expenditures US$
May 15, 2009 (met)	250,000
May 15, 2010	450,000
May 15, 2011	500,000
May 15, 2012	500,000
May 15, 2013	300,000
Total consideration	**2,000,000**

On November 17, 2008 the Company loaned White Bear US$22,500 by way of an unsecured non-interest bearing promissory note. The principal amount of US$22,500 and 100,000 common shares of White Bear, were paid and delivered subsequent to August 31, 2009. White Bear paid half of the underlying lease payment of US$45,000 that was due on October 27, 2008 from its cash resources and used the proceeds of the promissory note to pay the other half of the lease payment.

b) Big Blue, Lander County, Nevada

On August 13, 2009 the Company entered into a 20 year mining lease for mining claims with a private party with a net smelter return (“NSR”) royalty of 3% that is subject to a buy-down provision for the following consideration:

Mining Lease Due Dates	Cash consideration to be paid to Lessor US$
August 13, 2010 (commitment)	10,000
August 13, 2011	12,500
August 13, 2012	15,000
August 13, 2013	17,500
August 13, 2014 and each year thereafter	30,000
Total consideration	**505,000**

c) BPV, CONO and Coal Canyon Properties, Eureka County, Nevada

On May 27, 2004, the Company entered into two 20-year mining leases for the BPV and CONO properties, with a sliding scale production royalty between 2.5% to 5% depending on the price of gold and subject to buy down provisions to 2%, for the following consideration:

Mining Lease Due Dates	Cash consideration to be paid to Lessor for BPV Lease US$	Cash consideration to be paid to Lessor for CONO lease US$
Prior to August 31, 2005 (paid)	12,500	12,500
May 27, 2006 (paid)	6,250	6,250
May 27, 2007 (paid)	10,000	10,000
May 27, 2008 (paid)	10,000	10,000
May 27, 2009 (paid)	12,500	12,500
May 27, 2010	15,000	15,000
May 27, 2011 and 2012 - $30,000 each year	60,000	60,000
May 27, 2013 and 2014 - $40,000 each year	80,000	80,000
May 27, 2015 $50,000 and each year thereafter to be adjusted for inflation	500,000	500,000
Total consideration	**706,250**	**706,250**

6. MINERAL PROPERTIES (continued)

On May 27, 2004, the Company entered into a 20-year mining lease for the Coal Canyon property, with a sliding scale production royalty between 2.5% to 5% depending on the price of gold and subject to buy down provisions to 2%, for the following consideration:

Mining Lease Due Dates	**Cash consideration to be paid to Lessor US$**
Prior to August 31, 2005 (paid)	12,500
May 27, 2006 (paid)	6,250
May 27, 2007 (paid)	10,000
May 27, 2008 (paid)	10,000
May 27, 2009 (paid)	12,500
May 27, 2010	15,000
May 27, 2011 and 2012 - $30,000 each year	60,000
May 27, 2013 and 2014 - $40,000 each year	80,000
May 27, 2015 $50,000 and each year thereafter to be adjusted for inflation	500,000
Total consideration	**706,250**

On March 2, 2009 the Company and Queensgate Resources Corporation ("Queensgate") amended the March 11, 2008 exploration agreement to extend Queensgate's earn-in period from five to six years and to extend each year's exploration expenditure commitment by one year. As consideration for the amendment, Queensgate issued the Company 100,000 common shares and a further 100,000 common shares due on March 11, 2009, were received July 2, 2009 so that the Company now holds a total of 300,000 common shares of Queensgate. Queensgate paid the underlying lease payments directly.

Due Dates	**Exploration Expenditures US$**
March 11, 2009 (met)	260,000
March 11, 2011	440,000
March 11, 2012	600,000
March 11, 2013	700,000
March 11, 2014	1,000,000
Total consideration	**3,000,000**

d) Dame Property, Eureka County, Nevada

In February 2005, the Company staked claims in Kobeh Valley on the south end of the Battle Mountain-Eureka Trend. The Company will allow the claims to lapse and wrote off $72,584 in acquisition costs in the current fiscal year.

e) Ester Dome Property, Fairbanks Mining District, Alaska

On October 29, 2009 the Company and Range Minerals Inc. ("Range") entered into a 20-year mining lease for the Ester Dome project with the following payments and share purchase warrant issues:

Mining Lease Due Dates	Cash consideration to be paid to Lessor US$	Two year share purchase warrants to be issued to Lessor
October 29, 2009	20,000	100,000 @Cdn$0.50
October 29, 2010	32,000	100,000 @Cdn$0.55
October 29, 2011	60,000	100,000 @Cdn$0.60
October 29, 2012	70,000	-
October 29, 2013	75,000	-
October 29, 2014 $80,000 and each year thereafter	1,280,000	-
Total consideration	**1,537,000**	**300,000**

Range retained a sliding scale NSR royalty between 2% and 4% depending on the price of gold. The Company has the option to buy one percentage point of the NSR for US$1,500,000 per percentage point if the price of gold is below US$500 per ounce; increasing to $2,000,000 per percentage point if the price of gold is between US$500 and US$1,000 per ounce, and then increasing to $3,000,000 per percentage point if the price of gold is over US$1,000 per ounce.

f) ETTU Property, Eureka County, Nevada

In June, 2004, the Company staked claims in Kobeh Valley called the ETTU claims on the south end of the Eureka – Battle Mountain (Cortez) Gold Trend. The Company will allow the claims to lapse and wrote off $25,925 in acquisition costs in the current fiscal year.

g) Fuse Property, Eureka County, Nevada

During the year ended August 31, 2004 the Company staked the Fuse East and Fuse West claim group. On September 28, 2005 and November 15, 2005 (amended April 25, 2006), the Company entered into exploration agreements with an option to form a joint venture with the Cortez Joint Venture and the Buckhorn Joint Venture both managed by Barrick. Barrick elected to terminate the agreements effective on January 5, 2009 and paid the Company $238,837 (US$200,000) in lieu of completing the required work expenditures.

h) Horse Mountain Property, Lander County, Nevada

In the year ended August 31, 2009 Newcrest terminated its exploration agreement with an option to form a joint venture with the Company on the Horse Mountain project. Newcrest fulfilled its obligations prior to termination. The Company in turn terminated its November 23, 2004 mining lease for the Horse Mountain claims.

The Company wrote off $39,569 in acquisition costs in the current fiscal year.

i) Iron Point Property, Humboldt County, Nevada

In February 2005, the Company staked the "AB OVO" claims in the Iron Point District. During September and October 2005 the Company staked the "JTK" claims and "IP" claims to expand the Iron Point project area.

On June 3, 2005, as amended on June 10, 2009, the Company entered into a 20-year mining lease and option to purchase 28 mining claims, with a sliding production royalty between 2.5% to 3.5% depending on the price of gold, for minimum advance royalty payments to be completed on the following schedule. These claims can be purchased outright for cash consideration between US$1,000,000 to US$2,000,000 depending on the price of gold anytime up to June 3, 2015.

6. MINERAL PROPERTIES (continued)

Mining Lease Due dates	Minimum advance royalty payments to Lessor US$
Prior to August 31, 2005 (paid)	7,000
June 3, 2006 (paid)	10,000
June 3, 2007 (paid)	10,000
June 3, 2008 (paid)	15,000
June 3, 2009 (paid)	2,000
September 3, 2009 (paid)	18,000
June 3, 2010 $25,000 and each year thereafter	400,000
Total consideration	**462,000**

On November 22, 2006 the Company signed an exploration agreement with option to form joint venture with White Bear whereby White Bear may earn a 60% interest by paying the Company US$20,000, issuing the Company 100,000 common shares (received) of White Bear and by expending US$2,500,000 over five years. White Bear may then elect to earn an additional 10% interest by completing a bankable feasibility study within five years of election or by funding US$10,000,000 in additional exploration. Until November 11, 2009, White Bear was a private company and the Company had not assigned a fair value to the White Bear common shares received. At August 31, 2009 the Company assigned the value of C$0.10 per share to the first 100,000 common shares received being the November 10, 2009 initial public offering price of the White Bear shares. A second issue of 100,000 common shares of White Bear was delivered subsequent to August 31, 2009.

Option Due Dates	Cash consideration to be paid to the Company US$	Exploration Expenditures US$
November 22, 2006 (received)	20,000	-
November 22, 2007 (met)	-	100,000
November 22, 2008 (met)	-	200,000
November 22, 2009	-	500,000
November 22, 2010	-	700,000
November 22, 2011	-	1,000,000
Total consideration	**20,000**	**2,500,000**

j) Neon, Churchill County, Nevada

During the year ended August 31, 2009, the Company staked certain mining claims in Churchill County, Nevada.

k) PPM, Humboldt County, Nevada

In September 2005 the Company staked mining claims known as the PPM Property located on the north end of the Battle Mountain-Eureka Trend.

On April 17, 2007 the Company signed an exploration agreement with option to form a joint venture with Piedmont Mining Company Inc. (“Piedmont”) whereby Piedmont may earn a joint venture interest in the PPM project.

6. MINERAL PROPERTIES (continued)

Piedmont will earn a 55% joint venture interest in the property by paying the Company US$25,000 before May 17, 2007 (received) and by completing expenditures of US$1,750,000 for exploration activities over a period of five years. A minimum work expenditure of US$175,000 is required in the first year with expenditure minimums increasing in subsequent years which the Company extended to July 17, 2008. Once the initial earn-in phase of 55% has been reached, Piedmont and the Company will enter into a joint venture agreement for which Piedmont will be the operator. At August 31, 2009 Piedmont owed the Company US$23,941 for exploration costs and Piedmont had not met its exploration expenditure obligations however they did fund the September 1, 2009 annual holding costs of the PPM project.

Option Due Dates	Cash consideration to be paid to the Company US$	Exploration Expenditures US$
May 17, 2007 (received)	25,000	-
July 17, 2008	-	175,000
April 17, 2009	-	200,000
April 17, 2010	-	300,000
April 17, 2011	-	425,000
April 17, 2012	-	650,000
Total consideration	**25,000**	**1,750,000**

l) PQ Property, Elko County, Nevada

In April 2008 the Company staked 100 mining claims in the Pequop Mountains comprising the PQ Property and on March 26, 2008 the Company entered into a 20 year mining lease for 36 mining claims with a private party with a NSR royalty of 3%.

The Company has allowed the claims to lapse and terminated the lease agreement on a timely basis and wrote off $31,132 in acquisition costs in the current fiscal year.

m) Red Canyon Property, Eureka County, Nevada

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

Mining Lease Due Dates	Cash consideration to be paid to Lessor US$	Two year share purchase warrants to be issued to Lessor
Prior to August 31, 2005 (paid and issued)	25,000	75,000 @Cdn$0.37
November 18, 2005 (paid)	35,000	
November 18, 2006 (paid)	40,000	-
November 18, 2007 (paid)	50,000	-
November 18, 2008 (paid)	50,000	-
November 18, 2009 to 2012 at $75,000 per year	300,000	-
November 18, 2013 to 2023 at $100,000 per year (subject to inflation adjustment beginning in 2019)	1,100,000	-
Total consideration	**1,600,000**	**75,000**

6. MINERAL PROPERTIES (continued)

On August 1, 2008 the Company signed a definitive agreement with Montezuma Mines Inc., a subsidiary of CMQ Resources Inc. ("CMQ"), superseding a letter of intent signed June 5, 2008, to enter into an exploration with option to joint venture agreement with the Company on the Red Canyon Property with an effective date of August 1, 2008. CMQ may earn a 60% interest by funding US$4,000,000 in qualified expenditures over a five-year period. CMQ may then elect to earn an additional 10% interest by completing a bankable feasibility study within four years of election or by funding US$10,000,000 in additional exploration.

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

n) 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 a sliding production royalty between 2.5% to 5% depending on the price of gold and subject to buy down provisions to 2%, for the following consideration:

Mining Lease Due Dates	Cash consideration to be paid to Lessor US$
Prior to August 31, 2005 (paid)	18,750
May 27, 2006 (paid)	12,500
May 27, 2007 (paid)	20,000
May 27, 2008 (paid)	20,000
May 27, 2009 (paid)	25,000
May 27, 2010	30,000
May 27, 2011 and 2012 - $40,000 each year	80,000
May 27, 2013 and 2014 - $50,000 each year	100,000
May 27, 2015 $60,000 and each year thereafter to be adjusted for inflation	600,000
Total consideration	**906,250**

From October 27, 2004 until it was terminated on October 16, 2008 the Company had an exploration agreement with an option to form a joint venture with Barrick Gold Corporation (formerly Placer Dome US Inc) ("Barrick"). During the term of the agreement Barrick paid the Company US$190,000 and expended in excess of US$537,500.

On October 1, 2009 the Company signed an exploration with option to joint venture agreement with NuLegacy Gold Corporation ("NuLegacy"), a private Nevada corporation, on the Red Canyon Property. NuLegacy may earn a 60% interest by funding US$4,000,000 in qualified expenditures over a five-year period and issuing the Company 200,000 common shares (received). NuLegacy may then elect to either earn an additional 10% interest by completing a bankable feasibility study within four years of election or by funding US$10,000,000 in additional exploration. NuLegacy paid the Company US$11,000 on execution of the agreement as reimbursement for the September 1, 2009 payment of the 2009-2010 federal claim maintenance fees.

6. MINERAL PROPERTIES (continued)

Due Dates	Exploration Expenditures US$
July 1, 2010 (obligation)	200,000
January 1, 2011 (obligation)	150,000
January 1, 2011	150,000
October 1, 2011	250,000
October 1, 2012	750,000
October 1, 2013	1,000,000
October 1, 2014	1,500,000
Total consideration	**4,000,000**

o) Redlich Property, Esmeralda County, Nevada

On January 23, 2008 the Company paid the final $11,194 (US$11,250) and issued the final 15,000 two year share purchase warrants at an exercise price of $0.55 and a fair value of $4,306 (US$4,250) to complete the purchase of the Redlich Property subject to the owner retaining a 3% NSR royalty. Upon completion of a bankable feasibility study, the Company has the option to buy two percentage points of the NSR for US$1,000,000 per percentage point.

p) Colombia

On December 2, 2009 the Company executed an Association Agreement by and among ExpoGold Colombia S.A., the Company, and the Company's newly organized subsidiary Miranda Gold Colombia II Ltd.; and the Colombian branch of Miranda Gold Colombia II Ltd.

Pursuant to the terms of the Association Agreement the Company will issue, subject to approval of the TSX Venture Exchange, 350,000 common shares of the Company to ExpoGold and fund an annual exploration program of approximately US$600,000 in Colombia. The Company has also secured a 180 day first right of refusal to lease any of the 45 license applications in Colombia controlled by ExpoGold.

7. SHARE CAPITAL

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

b) Share issuances:

On October 3, 2007 the Company completed a non-brokered private placement of 4,460,000 units at a price of $1.05 per unit, for gross proceeds of $4,683,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant is exercisable to purchase an additional common share at $1.50 per share until October 4, 2009. An additional 253,500 units were issued as a finder's fee pursuant to the private placement. The proceeds of the financing of $4,683,000 were allocated on a relative fair value basis as $3,581,117 to common shares and $1,101,882 as to warrants and the fair value of the finder's fees of $266,175 were allocated as to $203,546 to common shares and $62,629 as to warrants. Cash share issue costs were $59,472.

The assumptions used in the Black-Scholes pricing model was a risk free interest rate of 4.27%, an expected volatility of 59.17% an expected life of 2 years and an expected dividend of zero.

All 4,713,500 warrants subsequently expired unexercised on October 4, 2009.

7. 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 7,307,052 options to acquire common shares to its directors, officers, employees and consultants. Options granted vest as to 25% immediately and 25% each six months thereafter.

The continuity for stock options is as follows:

Expiry date	Exercise price	Balance, August 31, 2008	Issued	Exercised	Expired	**Balance, August 31, 2009**
February 9, 2009	$ 0.53	465,000	-	-	(465,000)	**-**
February 17, 2010	$ 0.71	973,750	-	-	-	**973,750**
October 18, 2010	$ 1.18	80,000	-	-	-	**80,000**
May 31, 2011	$ 0.70	50,000	-	-	-	**50,000**
April 17, 2011	$ 0.70	425,000	-	-	-	**425,000**
March 28, 2012	$ 0.70	470,000	-	-	-	**470,000**
January 31, 2013	$ 0.70	1,170,000	-	-	-	**1,170,000**
February 25, 2014	$ 0.35	-	2,257,000	-	-	**2,257,000**
		3,633,750	2,257,000	-	(465,000)	**5,425,750**
Weighted average exercise price		$ 0.69	$ 0.35	$ -	$ 0.53	**$ 0.56**

Of the 5,425,750 stock options outstanding at August 31, 2009 only 1,128,500 had not vested.

Expiry date	Exercise price	Balance, August 31,2007	Issued	Exercised	Cancelled	Balance, August 31, 2008
June 18, 2008	$ 0.27	55,000	-	(55,000)	-	-
February 9, 2009	$ 0.53	465,000	-	-	-	465,000
February 17, 2010	$ 0.71	973,750	-	-	-	973,750
October 18, 2010	$ 1.18	80,000	-	-	-	80,000
February 1, 2011	$ 2.07	125,000	-	-	(125,000)	-
May 31, 2011 (1)	$ 0.70	50,000	-	-	-	50,000
April 17, 2011	$ 1.92	1,475,000	-	-	(1,475,000)	-
April 17, 2011 (1)	$ 0.70	425,000	-	-	-	425,000
August 8, 2011	$ 1.64	200,000	-	-	(200,000)	-
March 28, 2012	$ 1.54	1,400,000	-	-	(1,400,000)	-
March 28, 2012 (1)	$ 0.70	470,000	-	-	-	470,000
January 31, 2013 (1)	$ 0.70	-	1,170,000	-	-	1,170,000
		5,718,750	1,170,000	(55,000)	(3,200,000)	3,633,750
Weighted average exercise price		$ 1.44	$ 0.70	$ 0.27	$ 1.74	$ 0.69

(1) On February 1, 2008 the Directors granted stock options to directors and officers on 1,170,000 shares exercisable for up to five years at a price of $0.70 per share to vest 25% immediately and 25% every six months thereafter. On that same day the Directors re-priced 945,000 stock options previously granted to four employees and one consultant who are not insiders at a price of $0.70 per share; comprising 50,000 stock options expiring on May 31, 2011 that were priced at $1.70, 425,000 stock options expiring on April 17, 2011 that were priced at $1.92 and 470,000 stock options expiring on March 28, 2012 that were priced at $1.54. Finally, with the consent of the insider option holders, 3,095,000 stock options were cancelled. No new options will be granted to these directors and officers for twelve months.

7. SHARE CAPITAL (continued)

d) Stock Based Compensation

During the year ended August 31, 2009, the Company recorded $537,550 (2008 - $1,540,880; 2007 - $1,583,901) in stock-based compensation expense for a series of options vested during the period. The remaining fair value of the series of options granted in fiscal year 2009 of $174,832, less forfeitures if any, will be recognized as the options vest in 2010 with the corresponding increase to contributed surplus.

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. The fair value of the 2,257,000 options granted in fiscal 2009 was determined using a risk free interest rate of 1.27%, an expected volatility ranging from 78.31% to 79.52%, an expected life of ranging from 2.07 to 2.19 years, and an expected dividend of zero for a fair value of $349,666 or $0.15 per option.

The fair value of the 1,170,000 options granted in fiscal 2008 was determined using a risk free interest rate of 3.30%, an expected volatility of 76.94%, an expected life of 5 years, and an expected dividend of zero for a fair value per option of $0.45. The incremental fair value of the 945,000 options that were re-priced on February 1, 2008 was determined using a risk free interest rate of 3.30%, an expected volatility ranging from 57.11% to 64.49%, a remaining expected life ranging from 3.21 to 4.17 years and an expected dividend of zero.

e) Share Purchase Warrants

The continuity for share purchase warrants is as follows:

Expiry date	Exercise price	Balance, August 31, 2008	Issued	Exercised	Expired	**Balance, August 31, 2009**
January 23, 2009	$ 0.50	11,250	-	-	(11,250)	**-**
October 4, 2009	$ 1.50	4,713,500	-	-	-	**4,713,500**
January 23, 2010	$ 0.55	15,000	-	-	-	**15,000**
		4,739,750	-	-	(11,250)	**4,728,500**
Weighted average exercise price		$ 1.49	$ -	$ -	$0.50	**$ 1.50**

On October 4, 2009 the 4,713,500 share purchase warrants expired unexercised.

Expiry date	Exercise price	Balance, August 31, 2007	Issued	Exercised	Expired	**Balance, August 31, 2008**
October 4, 2007	$ 1.15	552,500	-	(552,500)	-	**-**
January 23, 2008	$ 0.45	11,250	-	(11,250)	-	**-**
January 23, 2009	$ 0.50	11,250	-	-	-	**11,250**
October 4, 2009	$ 1.50	-	4,713,500	-	-	**4,713,500**
January 23, 2010	$ 0.55	-	15,000	-	-	**15,000**
		575,000	4,728,500	(563,750)	-	**4,739,750**
Weighted average exercise price		$ 1.12	$ 1.50	$ 1.14	$ -	**$ 1.49**

The $4,306 fair value of the 15,000 share purchase warrants issued in the year ended August 31, 2008 in connection with the Redlich mineral property was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: the risk free interest rate was 3.32%, the expected life is two years, the expected volatility is 56.8% and the expected dividend is zero for a fair value per warrant of $0.29.

8. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (see Note 7). 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 risk. The Company does not have any externally imposed capital requirements to which it is subject.

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 and cash equivalents.

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 efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The cash equivalent component is $9,429,180 and is invested in Canadian federal government backed treasury bills and term investment certificates guaranteed by the Bank of Montreal.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

9. RELATED PARTY TRANSACTIONS

During the years ended August 31, 2009, 2008 and 2007, the Company:

a) paid $nil (2008 - $12,500; 2007 - $42,500) to a company controlled by a common director for management of the Company;

b) paid $6,619 (2008 - $6,740; 2007 - $19,216) to directors or companies controlled by common officers or directors for rent, telephone, secretarial, website, internet and office services;

c) paid $96,600 (2008 - $89,250; 2007 - $76,500) to a company controlled by a common officer pursuant to a contract for professional fees;

d) included in wages and benefits are fees paid to independent directors of $28,462 (2008 - $22,652; 2007 - $20,173);

e) included in property exploration costs for the year ended August 31, 2008 are consulting fees of US$2,916 paid to a company that a director of the Company is an officer and director of for work performed on the Redlich project.

A director and officer of the Company holds a 10% interest in the BPV, CONO, Coal Canyon and Red Hill properties described in Note 6.

At August 31, 2009 an amount of $4,793 (2008 - $3,309) for expenses and director fees owed to officers and directors are included in accounts payable and accrued liabilities. These amounts were settled in the ordinary course of business shortly after the year end.

10. INCOME TAXES

The Company is subject to income taxes on its unconsolidated financial statements in Canada and the USA. The consolidated provision for income taxes varies from the amount that would be computed from applying the combined Canadian federal and provincial income tax rates to the net loss before income taxes as follows:

	2009	2008
Combined statutory tax rate	**30%**	32%
Computed income tax benefit	**$ 705,000**	$ 1,010,000
Unrecognized items for tax purposes	**(158,000)**	(496,000)
Adjustments in tax rates	**(17,000)**	(61,000)
Income tax losses not recognized	**(530,000)**	(453,000)
	$ -	$ -

The significant components of the Company's future income tax assets are as follows:

	2009	2008
Capital assets	**$ 23,000**	$ 7,000
Exploration and development deductions	**275,000**	274,000
Non-capital losses carried forward	**2,576,000**	2,078,000
Other temporary differences	**11,000**	21,000
	2,885,000	2,380,000
Valuation allowance	**(2,885,000)**	(2,380,000)
	$ -	$ -

As at August 31, 2009 the Company has available losses for income tax purposes in Canada of approximately $3,255,000 and in the USA of approximately $5,034,000 which may be carried forward and applied against future taxable income when earned.

	CANADA	**USA**
Loss expiry year	CDN$	US$
2010	464,000	-
2014	493,000	-
2015	183,000	-
2025	-	1,081,000
2026	480,000	573,000
2027	508,000	1,042,000
2028	529,000	1,060,000
2029	598,000	1,278,000
	3,255,000	5,034,000

Canadian and foreign exploration resource deductions may be used against certain taxable income without expiry provided there has been no change in the control of the Company. As at August 31, 2009, the available resource deductions amounted to approximately $918,000. USA exploration resource deductions are amortized over a 10 year period. As at August 31, 2009, the available resource deductions amounted to approximately $337,000.

11. SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

During the year ended August 31, 2009, the Company placed a fair value of $20,000 on the 200,000 common shares of White Bear owned by the Company as a recovery of the deferred costs of the Angel Wings and Iron Point projects.

During the year ended August 31, 2008, the Company issued 15,000 share purchase warrants with a fair value of $4,306 pursuant to the Redlich mineral property option agreement described in note 7.

During the year ended August 31, 2007, the Company issued 11,250 share purchase warrants with a fair value of $17,575 pursuant to the Redlich mineral property option agreement described in note 7.

During the year ended August 31, 2007, the Company received 200,000 common shares of Romarco Minerals Inc. at a fair value of $55,000 pursuant to a now cancelled mineral property exploration agreement on the Red Canyon property.

During the year ended August 31, 2007, the Company had an amount of $11,325 included in amounts receivable that was offset to mineral property option payments received.

12. SEGMENT INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties and has two geographical segments: USA and Mexico. The total assets attributable to the geographical locations relate primarily to deferred mineral property costs and have been disclosed in Note 5.

13. MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”). There are no material differences in the Company’s financial statements from those principles that the Company would have followed had its financial statements been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”).

1) Cumulative Since Inception Disclosure

The Company is not required and has opted to not report such information for Canadian reporting and for US GAAP purposes; the Company is considered an exploration stage company. Statement of Financial Accounting Standards No. 7 – “Accounting and Reporting by Development Stage Enterprises” requires the disclosure of cumulative-to-date information for each line item on the statements of operations and cash flow plus annual summaries of each component of shareholders’ equity since inception. Under Canadian GAAP, Accounting Guideline “AcG 11 – Enterprises in the Development Stage”, issued by the Canadian Institute of Chartered Accountants, does not require reporting of this information. Had the consolidated financial statements been prepared in accordance with US GAAP such information would have been disclosed.

2) Financial instruments and other comprehensive income

Effective September 1, 2007, the Company adopted CICA accounting standards related to Comprehensive Income and Financial Instruments. These accounting statements have been adopted on a prospective basis and prior periods have not been restated. The adoption of these standards in Canada eliminated previous US GAAP reconciliations with respect to the recognition and measurement of financial instruments.

13. MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

3) Marketable Securities

Previously, under accounting principles generally accepted in Canada, gains (losses) in shares of public companies are not recognized until investments are sold unless there is deemed to be an impairment of value which is other than temporary. Under US GAAP, such investments are recorded at market value and the unrealized gain and losses are recognized in other comprehensive income unless there is deemed to be an impairment which is other than temporary. Under FAS 115 the Company accounted for the marketable security as held for sale. In 2007 after the adoption of Section 3855 of the CICA Handbook marketable securities were designated as available for sale and no difference remains in the securities.

Recent United States Accounting Pronouncements:

In June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting standards related to its accounting standards codification of the hierarchy of generally accepted accounting principles. The new standard is the sole source of authoritative generally accepted accounting principles of the United States (“U.S. GAAP”) to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification superseded non-SEC accounting and reporting standards. All accounting literature that is not in the Codification, not issued by the SEC and not otherwise grandfathered is non-authoritative. The new standard is effective for the Company’s interim quarterly period beginning September 1, 2009. Pursuant to the provisions of FASB ASC 105, the Company has updated the references to GAAP in its financial statements issued for the period ended August 31, 2009. The adoption had no impact on the Company’s consolidated financial position results of operations or cash flows.

In June 2009, the FASB issued new accounting standards to address the elimination of the concept of a qualifying special purpose entity which also replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Additionally, this standard provides more timely and useful information about an enterprise’s involvement with a variable interest entity. The standard will become effective in the first quarter of the Company’s fiscal 2010. We are currently evaluating the impact of this standard on our consolidated financial statements.

In May 2009, FASB issued new accounting standards on subsequent events that established general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Specifically, it provides (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The new standard is effective for interim or annual periods ending after June 15, 2009. The Company has evaluated all subsequent events through December 9, 2009, the date of the Auditors’ Report on Form 20-F. The adoption of this standard did not have a material effect on the Company’s financial statements.

13. MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

In April 2009, the FASB issued new accounting standards on determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. This new standard provides additional guidance for estimating fair value in accordance with the accounting standard on fair value measurements, when the volume and level of activity for the asset or liability have significantly decreased. This FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. This FSP emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The new standard is effective for interim and annual reporting periods ending after June 15, 2009, and is applied prospectively. The adoption of this standard did not have a material effect on the Company's financial statements.

In April 2009, the FASB issued new accounting standards on recognition and presentation of other-than-temporary impairments. This amends the other-than-temporary impairment guidance for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments in the financial statements. The most significant change is a revision to the amount of other-than-temporary loss of a debt security recorded in earnings. The new standard is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this standard did not have a material effect on the Company's financial statements.

In April 2009, the FASB issued new accounting standards on interim disclosures about fair value of financial instruments The standard requires disclosure about the fair value of its financial instruments and the method and significant assumptions used to establish the fair value of financial instruments for interim reporting periods as well as annual statements. The standard is effective for the Company as of August 31, 2009 and its adoption did not impact the Company's interim consolidated financial condition or results of operations.

In March 2008, the FASB issued new accounting standards on disclosures about derivative instruments and hedging activities that intends to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance and cash flows. The new standard also requires disclosure about an entity's strategy and objectives for using derivatives, the fair values of derivative instruments and their related gains and losses. The standard is effective for fiscal years and interim periods beginning after November 15, 2008, and will be applicable to the Company's fiscal year beginning September 1, 2009. The adoption of the standard will not have a material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued new accounting standards on, business combinations that establishes principles and requirements for how an acquirer in a business combination recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any controlling interest; recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The standard requires retroactive adoption of the presentation and disclosure requirements for existing minority interests and shall be applied prospectively on or after an entity's fiscal year that begins on or after December 15, 2008. The standard did not have a material impact on the Company's consolidated financial statements.