MIRANDA GOLD
CORP.

Suite 1500 – 701 West Georgia St
Vancouver, BC V7Y 1C6
Canada

TO OUR SHAREHOLDERS

As we close on the year at Miranda Gold, I write this letter reflecting upon how the Company has grown over the year. Our greatest growth came from the addition of Colombia as a regional focus for exploration. This move increases our chances of making a discovery by exposing us to a frontier region with vastly underexplored land. In Nevada we continue to grow as well as we carry on putting together the pieces of the discovery puzzle on a number of our projects. And finally with Paul van Eeden joining the Board of Directors, the Company grew in size as well.

STRENGTHENING THE HOLD ON NEVADA EXPLORATION

Nevada continues to be our main area of focus, with a total of 10 projects we are advancing either through joint ventures or on our own with the goal of acquiring joint venture partners. Five of those projects are actively being advanced under exploration funding agreements with a number of companies including Montezuma Mines Inc., Navaho Gold Pty Ltd., NuLegacy Corporation, and Ramelius Resources Ltd. This year four projects were drilled: Coal Canyon, Red Canyon, Angel Wing, and Red Hill.

One project of note is Red Canyon. After three years of continuous exploration and extensive drill programs, our exploration funding partner Montezuma Mines Inc. has started zeroing in on a large untested area on the project within an area of known mineralization. This year's drill program followed up on the 2009 core drill program, which verified the results of previous drilling but with 30% higher grade and 25% greater thickness, encountering 119 ft of 0.152 oz Au/t (36.28 m of 5.25 g Au/t). This year drill hole MR10-01 intercepted two mineralized zones, which included 20 ft of 0.050 oz Au/t (6.1 m of 1.714 g Au/t) and 20 ft of 0.086 oz Au/t (6.1 m of 2.949 g Au/t). Although only one hole of the eight drilled in 2010 encountered mineralization, these results – both those with and without mineralization – are vital to better understanding the geology that makes up Red Canyon. When plotted on a map collectively the results clearly outline an area of 3,000 ft (914 m) of strike length of remaining open potential at Red Canyon. This will be the focus of the next phase of drilling in 2011. We are encouraged by these results.

NEW EXPLORATION FUNDING AGREEMENTS INCREASE DISCOVERY POTENTIAL

We are in the business of creating shareholder value through exploration for discovery. Our business model is such that we mitigate the high risk of exploration while advancing numerous projects at the same time thus increasing our opportunities for discovery. Without exploration funding agreements our objectives could not be reached. This year we were very aggressive on this front, adding four new partners to our roster, including a major mining company, Agnico-Eagle USA, Ltd.

Ramelius Resources Ltd. is an Australian mid-tier producer who recently broadened its exploration focus to include Nevada. They are our exploration funding partners on two projects: Big Blue and Angel Wing. Ramelius managed to drill 1,500 ft (457 m) of the intended 4,000 ft (1,212 m) program before the weather forced the early termination of the drill program. Loss of circulation during the reverse circulation drilling of the main vein resulted in several intervals in the target zone where no sample was recovered. While this was disappointing it also provided evidence that the area adjacent to the vein is highly altered, including voids or caverns in the limestone, conditions we like to see in strong hydrothermal systems. Next year Ramelius will consider whether or not core drilling is a better way to test the target. Both companies were encouraged that the induced polarization (IP) geophysical survey that helped guide the 2010 drilling, was able to locate the vein in the subsurface and, as a result, Ramelius has indicated they will do additional IP work ahead of next year's drilling The mineralization that was encountered in the 2010 drilling supports the type of epithermal gold system that is envisioned at Angel Wing and the 2011 program will be oriented towards testing the veins at different elevations in the hope of intersecting the boiling zone where high-grade mineralization is often located. At Big Blue, weather conditions forced Ramelius to postpone drilling until next year.

In Colombia, our Pavo Real project is under an exploration funding agreement with Red Eagle Mining Corporation. Red Eagle is currently preparing for their IPO, for which Pavo Real is the qualifying project. Although land access issues prevented extensive exploration on the ground at Pavo Real, Red Eagle was able to sample portions of the property and conducted an airborne magnetic survey to start identifying drill targets for drilling in 2011. Red Eagle has also been acquiring additional claims that lie within our area of interest, further consolidating the area.

A letter of intent was signed on Ester Dome with Agnico-Eagle USA Ltd. Ester Dome is a project located in the Fairbanks District of Alaska, an area that has reportedly produced over 9.5 million ounces of alluvial gold, 3 million of which were mined on the flanks of Ester Dome. Field work conducted by Miranda Gold geologists in 2010 demonstrated the similarities between Ester Dome and the nearby Fort Knox deposit (reported to be 8 million ounces) that is being mined by Kinross and the Money Knob discovery recently made by International Hightower. These types of deposits, known as intrusive associated gold systems, are hosts to world-class, multi-million ounce deposits. We expect that during the 2011 field season Agnico-Eagle will conduct geophysical surveys over the suspected buried intrusions and follow up this work with drill testing.

The final agreement signed this year was a Letter of Intent with Navaho Gold Pty Ltd. on the TAZ project. We expect that Navaho will conduct a gravity survey over the pediment prior to implementing a drill program in 2011. The initial focus of the drilling will be to follow up a 1996 drill hole that intersected 70 ft of 0.042 oz Au/t from 215-285 ft (21.3 m of 1.44 g Au/t from 65.5 - 86.9 m), within a 135 ft zone of 0.025 oz Au/t from 215-350 ft (41.2 m of 0.86 g Au/t from 65.5 - 106.7 m).

A HEALTHY TREASURY IS THE KEY TO ATTAINING OUR OBJECTIVES

Recognizing that the addition of two new regional focuses was going to be more capital intensive than Nevada alone had been in previous years, the Board of Directors decided to conduct a fund raising earlier this year. The private placement, which closed in March and included the participation of Rick Rule and Global Resource Investments Ltd., as well as a number of funds and private investors, brought $3.7 million into our treasury. In October 2010, Paul van Eeden participated in an exclusive private placement as a requisite for him joining the Board of Directors. This brought an additional $500,000 into the treasury. As we close the year our total working capital equals a four-year treasury: $9.5 million.

As we continue working towards the discovery that will create value for all of our shareholders, we remain optimistic. We have a portfolio of projects located in jurisdictions where world-class gold deposits occur. We have identified gold systems on a number of our projects and are waiting on additional drilling to see if these systems grow into resources. And finally, we have partners that will be drill testing at least seven of our properties in 2011.

I of course cannot finish the year without acknowledging and thanking the many people that have made Miranda Gold a success. From our employees to officers and directors, as well as consultants and shareholders, I thank you for your continued support.

Sincerely,
Ken Cunningham

Ken Cunningham
President & CEO

MIRANDA GOLD CORP.

ANNUAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2010

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, 2010

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, located in Nevada, Alaska, and Colombia.

Results of Operations for the year ended August 31, 2010, 2009 and 2008

The Company incurred a loss of $3,130,831 (2009 - $2,336,961; 2008 - $3,048,182) and a comprehensive loss of $3,195,756 for the year ended August 31, 2010 (2009 - $2,267,022; 2008 - $3,079,006).

Expenses for the year ending August 31, 2010 were $3,252,355 (2009 - $2,403,329; 2008 - $3,502,815).

Significant differences between the years follow:

Investor relations, travel and business promotion combined to $363,396 for the year ended August 31, 2010 (2009 - $337,637; 2008 - $384,187). The investor relations programs in fiscal 2010 included attendance at six conferences, 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, directors fees, wages and benefits combined to $972,653 for the year ending August 31, 2010 (2009 - $960,396; 2008 - $772,534). 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 2009 year over the 2008 year was due to an increase in salaries and an increase in the use of investor relations and technical consultants.

Office rent, telephone, secretarial and sundry costs for the year ended August 31, 2010 were $207,395 (2009 - $158,042; 2008 - $130,949). The increase in 2010 was partially due to the setting up our branch offices in Colombia. Reimbursements paid to Golden Oak for out-of-pocket office supplies, expenses, telephone and couriers for the year ended August 31, 2010 were $7,727 (2009 - $6,619; 2008 - 6,740). These costs are expected to continue at these levels into the future.

Professional fees, which include legal fees, have risen significantly for the year ended August 31, 2010 over prior years to $253,043 (2009 - $74,004; 2008 - $66,375). The establishment of the

Colombia corporations, the Association Agreement with ExpoGold, the Pavo Real option agreement and the share purchase and shareholder agreement with Red Eagle resulted in higher legal fees. In addition accounting fees for each of the Colombian branch offices have also increased this expense category.

Property exploration costs in the year ended August 31, 2010 were $1,160,054 net of recoveries from funding partners of $376,810 (2009 - $469,110 net of $318,005; 2008 - $583,203 net of $449,344). Mineral exploration costs are expensed until such time as economically recoverable reserves have been defined on the mineral property and a decision to proceed with development has been made. The Company acts as a service contractor to some of the Company's funding partners on certain properties for which it was paid a management fee based on a percentage of eligible expenditures of $nil in the year ended August 31, 2010 (2009 - $16,920; 2008 - $26,276). The Company had inadvertently charged management fees on certain ineligible expenses that were clawed back in the current year.

The non-cash stock based compensation expense for stock options vested during the year was $174,832 in the year ended August 31, 2010 (2009 - $537,550; 2008 - $1,540,880). The fair value of each option granted was estimated on the date of grant using the Black-Scholes option pricing model.

In the year ended August 31, 2010 the Company received mineral property option payments totaling $277,262 (2009 - $258,837; 2008 - $140,946). Option payments received are first credited to the individual project's capitalized mineral property costs before any remaining portion is recognized as income. In the year ended August 31, 2010 the Company recognized $59,028 ($24,167 was the non-cash value of NuLegacy shares) as mineral property option payments received in excess of cost (2008 - $238,837; 2007 - $140,946).

In fiscal year 2010 the Company was unsuccessful in finding partners to joint venture and fund the exploration costs of the BPV, CONO, and Neon projects and the Company wrote off $27,580 (2009 - $169,210; 2008 - $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 in activity and the Company acquiring several additional mineral projects including projects in Alaska and Colombia.

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 income 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 capitalized 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 fourth quarter of the 2010 fiscal year with cash of $11,361,657. During the three months ended August 31, 2010 the Company expended $1,064,143 on operating activities and recovered $4,210 on investing activities and expended $3,285 on financing activities to end on August 31, 2010 with $10,298,439 in cash.

Miranda began the 2010 fiscal year with cash of $9,687,616. During the year ended August 31, 2010 the Company expended $2,890,895 on operating activities and $136,408 on investing activities and raised $3,638,126 on financing activities to end on August 31, 2010 with $10,298,439 in cash.

As at December 1, 2010 there were 5,982,000 stock options outstanding pursuant to the shareholder approved stock option plan all of which were "in-the-money" (TSX-V closing price December 1, 2010 - $0.72).

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, 2010:

	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, 2010, 2009 and 2008

(Stated in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Miranda Gold Corp.

We have audited the consolidated balance sheet of Miranda Gold Corp. as at August 31, 2010 and the consolidated statements of loss and comprehensive loss, shareholders' equity and cash flows for the year then ended. 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 audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards and with 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, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

December 9, 2010

MORGAN
&COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of
Miranda Gold Corp.

We have audited the consolidated balance sheet of Miranda Gold Corp. as at August 31, 2009 and the consolidated statements of loss and comprehensive loss, cash flows, and shareholders' equity for each of the two years ended August 31, 2009 and 2008. 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 consolidated 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 the results of its operations and its cash flows for each of the years ended August 31, 2009 and 2008 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

Morgan & Company

December 9, 2009

Chartered Accountants

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MEMBER OF
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Suite 1488 - 700 West Georgia Street
Vancouver, B.C. V7Y 1A1

MIRANDA GOLD CORP.

CONSOLIDATED BALANCE SHEETS

(Stated in Canadian Dollars)

		August 31 2010		August 31 2009
ASSETS				
Current				
Cash and cash equivalents	**$**	**10,298,439**	$	9,687,616
Amounts receivable		**103,324**		150,718
Marketable securities (Note 4)		**139,500**		141,425
Advances and prepaid expenses		**123,919**		71,398
		10,665,182		10,051,157
Equipment (Note 5)		**148,851**		127,025
Mineral interests (Note 6)		**554,671**		188,872
	$	**11,368,704**	$	10,367,054
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	**$**	**199,393**	$	93,058
Shareholders' equity				
Share capital (Note 7)				
Authorized:				
An unlimited number of common shares without par value				
Issued and outstanding:				
51,279,452 common shares (2009 - 44,892,010)		**25,839,086**		22,718,993
Contributed surplus (Note 7)		**6,395,623**		5,064,856
Warrants (Note 7)		**809,028**		1,168,817
Accumulated other comprehensive income		**34,500**		99,425
Deficit		**(21,908,926)**		(18,778,095)
		11,169,311		10,273,996
	$	**11,368,704**	$	10,367,054

Nature of Operations (Note 1)

Subsequent Events (Notes 6 and 12)

Approved on behalf of the Board of Directors:

"Kenneth Cunningham"
Kenneth Cunningham, Director

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

See notes to the consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars)

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008
Expenses			
Amortization	**$ 48,111**	$ 48,973	$ 43,799
Consulting	**136,569**	160,233	110,460
Directors fees	**43,355**	28,463	22,652
Foreign exchange	**25,234**	(32,402)	4,655
Insurance	**41,046**	53,795	53,940
Investor relations	**189,529**	191,174	258,868
Management fees earned	**-**	(16,920)	(13,776)
Mineral property income	**(59,028)**	(238,837)	(140,946)
Office rent, telephone, secretarial, sundry	**207,395**	158,042	130,949
Professional fees	**253,043**	74,004	66,375
Property exploration costs (Schedule 1)	**1,160,054**	469,110	583,203
Stock based compensation	**174,832**	537,550	1,540,880
Travel and business promotion	**173,867**	146,463	125,319
Transfer agent, filing and regulatory fees	**65,619**	51,981	77,015
Wages and benefits	**792,729**	771,700	639,422
	3,252,355	2,403,329	3,502,815
Loss before the following	**(3,252,355)**	(2,403,329)	(3,502,815)
Interest earned	**58,700**	207,613	454,633
Write-off of mineral interests	**(27,580)**	(169,210)	-
Loss on disposal of equipment	**(4,440)**	-	-
Gain on sale of marketable securities	**94,844**	27,965	-
Net loss for the year	**(3,130,831)**	(2,336,961)	(3,048,182)
Unrealized (loss) gain on marketable securities	**(64,925)**	69,939	(30,824)
Comprehensive loss for the year	**$ (3,195,756)**	$ (2,267,022)	$ (3,079,006)
Basic and diluted loss per common share	**$ (0.07)**	$ (0.05)	$ (0.07)
Weighted average number of common shares outstanding	**47,877,477**	44,892,010	44,389,119

See notes to the consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in Canadian Dollars)

	Year ended August 31, 2010	Year ended August 31, 2009	Year ended August 31, 2008
Cash provided from (used for):			
Operating activities			
Net loss for the year	**$ (3,130,831)**	$ (2,336,961)	$ (3,048,182)
Amortization	**48,111**	48,973	43,799
Unrealized foreign exchange loss	**2,776**	-	-
Write-off of mineral interests	**27,580**	169,210	-
Shares received as mineral property income	**(24,167)**	-	-
Stock based compensation	**174,832**	537,550	1,540,880
Loss on disposal of equipment	**4,440**	-	-
Gain on sale of marketable securities	**(94,844)**	(27,965)	-
	(2,992,103)	(1,609,193)	(1,463,503)
Change in non-cash working capital items:			
Amounts receivable	**47,394**	120,848	21,197
Advances and prepaid expenses	**(52,521)**	(10,691)	20,181
Accounts payable and accrued liabilities	**106,335**	(50,851)	57,112
	(2,890,895)	(1,549,887)	(1,365,013)
Investing activities			
Proceeds from sale of marketable securities	**116,844**	60,965	-
Mineral interest option recoveries	**154,625**	-	-
Equipment purchases	**(74,377)**	(60,819)	(40,593)
Mineral interest acquisitions	**(333,500)**	(35,108)	(81,895)
	(136,408)	(34,962)	(122,488)
Financing activities			
Shares issued	**3,723,720**	-	5,338,288
Share issue costs	**(85,594)**	-	(59,472)
	3,638,126	-	5,278,816
Increase (decrease) in cash and cash equivalents	**610,823**	(1,584,849)	3,791,315
Cash and cash equivalents, beginning of the year	**9,687,616**	11,272,465	7,481,150
Cash and cash equivalents, end of the year	**$ 10,298,439**	$ 9,687,616	$ 11,272,465
Cash and cash equivalents is comprised of:			
Cash	**$ 10,298,439**	$ 258,436	$ 522,465
Short-term deposits	**-**	9,429,180	10,750,000
	$ 10,298,439	$ 9,687,616	$ 11,272,465
Supplementary disclosure with respect to non-cash financing and investing:			
Non-cash investing and financing activities:			
Fair value of warrants issued for mineral interests	**$ 27,113**	$ -	$ 4,306
Fair value of shares issued for mineral interests	**251,000**	-	-
Fair value of shares issued for finder's fees	**101,332**	-	-
Fair value of shares received for mineral interests	**45,000**	20,000	-
Fair value of options exercised	**8,576**	-	-
Fair value of warrants exercised	**4,306**	-	-
Cash paid during the year for:			
Interest	**$ -**	$ -	$ -
Income taxes	**-**	-	-

See notes to the consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Stated in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive Income	Deficit	**Total Shareholders' Equity**
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(m))	-	-	-	-	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
Unrealized loss on marketable securities	-	-	-	-	(30,824)	-	(30,824)
Net loss for the year	-	-	-	-	-	(3,048,182)	(3,048,182)
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
Increase in unrealized holding gains on marketable securities	-	-	-	-	70,439	-	70,439
Realized gain on sale of marketable securities	-	-	-	-	(500)	-	(500)
Net loss for the year	-	-	-	-	-	(2,336,961)	(2,336,961)
Balance, August 31, 2009	**44,892,010**	**22,718,993**	**5,064,856**	**1,168,817**	**99,425**	**(18,778,095)**	**10,273,996**
Expiration of warrants	-	-	1,164,511	(1,164,511)	-	-	-
Share issues:							
Private placement	5,686,492	2,914,305	-	781,915	-	-	3,696,220
Finders' fee	180,950	101,332	-	-	-	-	101,332
Share issue costs	-	(186,926)	-	-	-	-	(186,926)
Exercise of warrants	15,000	12,556	-	(4,306)	-	-	8,250
Exercise of stock options	55,000	27,826	(8,576)	-	-	-	19,250
Fair value of share purchase warrants issued pursuant to a mineral property agreement	-	-	-	27,113	-	-	27,113
Fair value of shares issued pursuant to a mineral interest agreement	450,000	251,000	-	-	-	-	251,000
Stock based compensation	-	-	174,832	-	-	-	174,832
Increase in unrealized holding gains on marketable securities	-	-	-	-	18,075	-	18,075
Realized gain on sale of marketable securities	-	-	-	-	(83,000)	-	(83,000)
Net loss for the year	-	-	-	-	-	(3,130,831)	(3,130,831)
Balance, August 31, 2010	**51,279,452**	**$ 25,839,086**	**$ 6,395,623**	**$ 809,028**	**$ 34,500**	**$ (21,908,926)**	**$ 11,169,311**

See notes to the consolidated financial statements

MIRANDA GOLD CORP.

SCHEDULE 1
PROPERTY EXPLORATION COSTS
(Stated in Canadian Dollars)

	Year ended August 31, 2010		
	Exploration Expenditures	Recoveries from funding partners	**Net Exploration Expenditures**
Nevada:			
Angel Wings	$ 101,075	$ (96,347)	**$ 4,728**
Big Blue	144,581	(68,846)	**75,735**
BPV	85	(85)	**-**
Coal Canyon	65,256	(65,256)	**-**
CONO	(213)	213	**-**
FUSE	1,463	-	**1,463**
General exploration	410,642	-	**410,642**
HOG	6,873	-	**6,873**
Iron Point	58,743	(47,855)	**10,888**
Neon	(13,397)	-	**(13,397)**
Red Canyon	19,614	(19,614)	**-**
Red Hill	45,326	(44,237)	**1,089**
Redlich	17,630	-	**17,630**
TAZ	50,032	-	**50,032**
	907,710	(342,027)	**565,683**
Alaska:			
Ester Dome	90,529	-	**90,529**
Colombia:			
Property investigation costs	503,842	-	**503,842**
Pavo Real	34,783	(34,783)	**-**
Property exploration costs	$ 1,536,864	$ (376,810)	**$ 1,160,054**

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

See notes to the consolidated financial statements

1. NATURE OF OPERATIONS

Miranda Gold Corp. ("Miranda" or the "Company") is incorporated in British Columbia, Canada, and is in the business of acquiring and exploring mineral interests in the western United States and Colombia, and has not yet determined whether its mineral interests contain ore reserves that are economically recoverable. The recoverability of the amounts spent for mineral interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral interests, and upon future profitable production or proceeds from the disposition of the interests. 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 is considered a company in the exploration stage.

These consolidated 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, 2010, the Company had an accumulated deficit of $21,908,926 and working capital of $10,465,789.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation and Consolidation

These financial statements include the accounts of the Company and its two wholly owned subsidiaries: in the U.S.A., Miranda U.S.A., Inc.; and in Colombia, Miranda Gold Colombia I Ltd. ("MAD I"), along with the consolidated subsidiaries of MAD I. 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. 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 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

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 mineral property income.

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, 2010.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2010, 2009 and 2008 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 and Colombian Peso have been translated into Canadian dollars using the Temporal Method as follows:

- monetary items at the rate prevailing at the balance sheet date;
- non-monetary items at the historical exchange rate;
- 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, 2010 and 2009, the Company had no material asset retirement obligations in respect to its mineral property 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.

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial Instruments - Recognition and Measurement

Standards for the recognition and measurement of all financial instruments, provides a characteristics-based definition of a derivative financial instrument, provides criteria to be used to determine when a financial instrument should be recognized, and provides criteria to be used when a financial instrument is to be extinguished. All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, held-to-maturity, available-for-sale, loans and receivables, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current year net earnings;
- Available-for-sale financial assets are measured at fair value. Changes in fair value are included in other comprehensive income until the gain or loss is recognized in income;
- Held-for-trading financial instruments are measured at fair value. All changes in fair value are included in net earnings in the year in which they arise; and
- All derivative financial instruments are measured at fair value, even when they are part of a hedging relationship. Changes in fair value are included in net earnings in the period in which they arise, except for hedge transactions which qualify for hedge accounting treatment in which case gains and losses are recognized in other comprehensive income.

The Company has implemented the following classifications for its financial instruments:

- Cash and cash equivalents are classified as held-for-trading;
- Amounts receivable have been classified as loans and receivables;
- Marketable securities have been classified as available-for-sale;
- Accounts payable and accrued liabilities have been classified as other financial liabilities; and
- The Company has no derivative financial instruments.

The Company adopted this standard at the beginning of fiscal 2008 which resulted in an adjustment to accumulated other comprehensive income and marketable securities of $60,310 to recognize the fair value of marketable securities on adoption.

The Company provides disclosure that enables users to evaluate (a) the significance of financial instruments for the entity’s financial position and performances; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the year and at the balance sheet date, and how the entity manages those risks.

The Company also discloses financial instruments and non-financial derivatives classified 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.

o) Comprehensive Income

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

For the Company, OCI is comprised of 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.

p) Certain comparative figures have been reclassified to conform to the current year’s presentation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new accounting standards

a) 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 September 1, 2009. The adoption of this standard did not have a material impact on the Company's financial statements.

b) During 2009, CICA Handbook Section 3862, Financial Instruments – Disclosures was amended to require disclosure about the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

See Note 3 for relevant disclosures.

Future accounting standards

a) 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 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Early adoption of this Section is permitted.

b) 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. Under IFRS, there is significantly more disclosure required. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that must be addressed. The impact of these new standards on the Company's financial statements is currently being evaluated by management.

c) 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 2011.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 and cash equivalents, amounts receivable, marketable securities, and accounts payable and accrued liabilities.

The fair value of cash and cash equivalents is measured on the balance sheet using level 1 of the fair value hierarchy. The fair values of amounts receivable, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. Periodic adjustments to the fair values of marketable securities are recorded in other comprehensive income until disposed of, and these marketable securities are measured on the balance sheet using level 1 and level 3 of the fair value hierarchy. As at August 31, 2010, marketable securities have been classified $59,500 as level 1 since they are measured using quoted prices in an active market, and $80,000 as level 3 since they are shares of private companies with no observable market data.

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. Bank accounts are with high credit quality financial institutions and include 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.

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.

Foreign Exchange Risk - The Company expects to continue to raise equity predominantly in Canadian dollars. The Company is also conducting business in the USA and Colombia. As such, it is subject to risk due to fluctuations in the exchange rates between the US and Canadian dollars as well as the Colombian Peso ("COP") and the Canadian dollar. The Company does not enter into derivative financial instruments to mitigate its exposure to foreign currency risk.

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 $18,300 decrease or increase, respectively, in net income and shareholder's equity. A 10% appreciation or depreciation of the COP against the Canadian Dollar would result in an approximate $18,100 decrease or increase, respectively, in net income and shareholder's equity.

		$US	COP in '000
Cash and cash equivalents	$	160,841	282,418
Amounts receivable		66,780	6,743
Advances and prepaid expenses		16,000	87,233
Accounts payable and accrued liabilities		(72,255)	(65,466)
Net assets (liabilities)	**$**	**171,366**	**310,928**

Price risk - The Company is exposed to price risk 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.

4. MARKETABLE SECURITIES

At August 31, 2010, the Company has the following marketable securities recognized at fair value:

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains	Fair Value
Publicly traded companies:				
Enertopia Corp (formerly Golden Aria Corp)	125,000	$ -	$ 37,500	$ 37,500
White Bear Resources Inc.	400,000	40,000	(18,000)	22,000
		40,000	19,500	59,500
Non-public companies:				
NuLegacy Gold Corporation	200,000	40,000	-	40,000
Queensgate Resources Corporation	300,000	-	15,000	15,000
Red Eagle Mining Corporation	100,000	25,000	-	25,000
		$ 105,000	$ 34,500	$ 139,500

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

Available-for-sale Securities	Number of Shares	Cost	Accumulated unrealized holding gains	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

The Company sold the final 100,000 common shares of Romarco Minerals Inc. during the year ended August 31, 2010. Prior to selling the shares the Company had recorded an unrealized gain of $83,000 to OCI which was entirely offset on the sale of the investment for a realized gain of $94,844.

On September 25, 2009 Golden Aria Corp. (“Golden Aria”) consolidated its shares so that the Company’s holdings changed from 250,000 shares to 125,000 shares. Golden Aria changed their name on April 6, 2010 to Enertopia Corporation (“Enertopia”). The Company recorded an unrealized gain of $21,075 on the Enertopia investment in OCI in the year ended August 31, 2010.

The Company recorded the fair value of the original 200,000 shares of White Bear Resources Inc. (“White Bear”) when White Bear began trading on the TSX Venture Exchange on November 10, 2009. The Company received an additional 200,000 shares of White Bear during the year ended August 31, 2010 and all 400,000 shares were valued at White Bear’s initial public offering price of $0.10 per share. The Company recorded an unrealized loss of $18,000 on the White Bear investment in OCI in the year ended August 31, 2010.

NuLegacy Gold Corporation, Queensgate Resources Corporation, and Red Eagle Mining Corporation were ascribed values based on their latest private placement values because of the fact that these companies are not publicly traded as of yet.

5. EQUIPMENT

August 31, 2010

	Cost	Accumulated amortization	Net Book Value
Computer equipment	$ 159,978	$ (106,134)	**$ 53,844**
Furniture and fixtures	18,412	(11,056)	**7,356**
Field equipment	216,699	(129,048)	**87,651**
	$ 395,089	$ (246,238)	**$ 148,851**

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

The majority of the Company's equipment is located in Nevada, USA.

6. MINERAL INTERESTS

	August 31, 2009	Additions	Recoveries	Write off of interest	**August 31, 2010**
Nevada:					
Angel Wings	$ 50,734	$ 56,246	$ (66,246)	$ -	**$ 40,734**
Big Blue	-	26,787	(26,787)	-	**-**
BPV	11,325	150	-	(11,475)	**-**
CONO	11,325	-	-	(11,325)	**-**
Coal Canyon	11,325	-	-	-	**11,325**
Fuse	-	-	-	-	**-**
HOG	-	1,651	-	-	**1,651**
Iron Point	53,555	-	(10,000)	-	**43,555**
Neon	4,780	-	-	(4,780)	**-**
PPM	-	-	-	-	**-**
Red Canyon	-	-	-	-	**-**
Red Hill	30,328	30,680	(61,008)	-	**-**
Redlich	15,500	-	-	-	**15,500**
TAZ	-	12,764	-	-	**12,764**
	188,872	128,278	(164,041)	(27,580)	**125,529**
Alaska:					
Ester Dome	-	67,939	-	-	**67,939**
Colombia:					
Association Agreement	-	339,569	-	-	**339,569**
Pavo Real	-	75,827	(54,193)	-	**21,634**
Mineral interests	$ 188,872	$ 611,613	$ (218,234)	$ (27,580)	**$ 554,671**

6. MINERAL INTERESTS (continued)

	August 31, 2008	Additions	Recoveries	Write off of interest	August 31, 2009
Nevada:					
Angel Wings	$ 60,734	$ -	$ (10,000)	$ -	$ 50,734
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	-	(10,000)	-	53,555
Neon	-	4,780	-	-	4,780
PPM	-	-	-	-	-
PQ	31,132	-	-	(31,132)	-
Red Canyon	-	-	-	-	-
Red Hill	-	30,328	-	-	30,328
Redlich	15,500	-	-	-	15,500
Mineral interests	$ 342,974	$ 35,108	$ (20,000)	$ (169,210)	$ 188,872

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 17, 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 17, 2006 (paid)	35,000
October 17, 2007 (paid)	40,000
October 17, 2008 (paid)	45,000
October 17, 2009 (paid)	55,000
October 17, 2010 (paid subsequently)	65,000
October 17, 2011	75,000
October 17, 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. On July 2, 2010 the May 15, 2007 (as amended) exploration agreement with option to joint venture with White Bear terminated for failure to cure notice of an exploration funding default.

6. MINERAL INTERESTS (continued)

a) Angel Wings Property, Elko County, Nevada (continued)

Miranda released White Bear of its obligation to complete the exploration expenditures for certain consideration including having White Bear agree to complete all reclamation of disturbances created on the properties in accordance with applicable laws and regulations, having White Bear execute and deliver quitclaim deeds of all rights, titles, and interests of all unpatented mining claims subject to the agreement, and delivering all data on the subject properties acquired or created for the claims.

On September 17, 2010 the Company signed an exploration and option to enter joint venture agreement (superseding the previous letter of intent signed on July 30, 2010) with Ramelius Resources Ltd. ("Ramelius") whereby Ramelius may earn a 70% interest by reimbursing the Company for the 2010-2011 annual claim maintenance fees (paid US$12,180) and by expending US$4,000,000 over five years. The first year's commitment of US$350,000 is an obligation. Once Ramelius has spent the first US$4,000,000 they shall have the option and right to earn a vested 70% interest in Angel Wing by either funding 100% of exploration costs required to complete a bankable feasibility study within four years after the completion of the initial earn-in period or by spending an additional US$10,000,000 within 10 years after the initial earn-in period. If Ramelius elects not to fund 100% of the exploration costs required to complete a bankable feasibility study or fails to spend the additional $10,000,000 within 10 years, but meets the first $4,000,000 spending milestone, it shall be entitled to a net smelter royalty ("NSR") of 1% to be capped at two times their total expenditures.

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

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

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

Mining Lease Due Dates	Cash consideration to be paid to Lessor US$
August 13, 2010 (paid)	10,000
August 13, 2011	12,500
August 13, 2012	15,000
August 13, 2013	17,500
August 13, 2014	30,000
August 13, 2015 and each year thereafter	30,000
Total consideration	**505,000**

During the 2010 fiscal year, the Company staked additional Big Blue claims.

6. MINERAL INTERESTS (continued)

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

On May 6, 2010 the Company signed an exploration and option to enter into a joint venture agreement with Ramelius whereby Ramelius may earn a 70% interest by paying the Company US$50,000 (paid) and by expending US$4,000,000 over five years. The first year's commitment of US$250,000 is an obligation. Once Ramelius has spent the first US$4,000,000 they shall have the option and right to earn a vested 70% interest in Big Blue by either funding 100% of exploration costs required to complete a bankable feasibility study within four years after the completion of the initial earn-in period or by spending an additional US$10,000,000 within 10 years after the initial earn-in period.

Ramelius paid the Company $52,477 (US$50,000) on execution of the agreement as reimbursement for federal claim maintenance fees and filing costs.

Due Dates	Exploration Expenditures US$
May 6, 2011 (Obligation)	250,000
May 6, 2012	650,000
May 6, 2013	750,000
May 6, 2014	1,000,000
May 6, 2015	1,350,000
Total consideration	**4,000,000**

c) BPV and CONO, Eureka County, Nevada

In the year ended August 31, 2010 Queensgate Resources Corporation ("Queensgate") terminated its exploration agreement with an option to form a joint venture with the Company on the BPV and CONO projects. Contained in the termination letter from Queensgate, and agreed to by Miranda, were certain compromises allowing Queensgate to immediately terminate the exploration agreement and also allowing Miranda to immediately terminate the May 27, 2004 underlying mining lease for the BPV and CONO claims.

The Company wrote off $22,800 in acquisition costs in the 2010 fiscal year.

d) Coal Canyon Properties, Eureka County, Nevada

On May 27, 2004, the Company entered into a 20-year mining lease for the Coal Canyon property, with 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 (paid)	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 per the USA CPI	500,000
Total consideration	**706,250**

6. MINERAL INTERESTS (continued)

d) Coal Canyon Properties, Eureka County, Nevada (continued)

On March 11, 2008 (amended March 2, 2009), the Company entered into an exploration agreement with an option to form a joint venture with Queensgate. On August 2, 2010, Queensgate terminated the exploration agreement. Contained in the termination letter from Queensgate, and agreed to by Miranda, were certain compromises allowing Queensgate to immediately terminate the exploration agreement and also allowing Miranda to retain the Coal Canyon mining lease.

e) 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 allowed the claims to lapse and wrote off $72,584 in acquisition costs in the 2009 fiscal year.

f) 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 (paid and issued)	20,000	100,000 @ Cdn$0.50
October 29, 2010 (paid and issued subsequently)	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.

In addition to the $21,308 (US$20,000) lease payment, the Company reimbursed Range $19,284 (US$18,100) for claim staking fees and the Company issued 100,000 share purchase warrants to Range, with a fair value of $27,113 (US$25,695).

g) 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 allowed the claims to lapse and wrote off $25,925 in acquisition costs in the 2009 fiscal year.

6. MINERAL INTERESTS (continued)

h) Fuse East and West 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 Gold Corporation ("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. The Company has retained the claims in good standing.

i) HOG Property, Eureka County, Nevada

During the 2010 fiscal year the Company staked several contiguous claims at a cost of $1,651.

j) Horse Mountain Property, Lander County, Nevada

In the year ended August 31, 2009 Newcrest Resources, Inc. ("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 2009 fiscal year.

k) Iron Point Property, Humboldt County, Nevada

In February 2005, the Company staked the "AB OVO" claims in the Iron Point project area. 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.

In the year ended August 31, 2010 White Bear terminated its exploration agreement with an option to form a joint venture with the Company on the Iron Point project. The Company in turn, on April 20, 2010, terminated its June 3, 2005 (as amended) mining lease for the Iron Point claims and has also allowed the "JTK" claims to lapse, but retaining the "AB OVO" and "IP" claims.

l) Neon, Churchill County, Nevada

During the year ended August 31, 2009, the Company staked certain mining claims in Churchill County, Nevada and then in fiscal 2010 allowed these claims to lapse and wrote off the $4,780 acquisition costs.

m) PPM (Poverty Peak), 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.

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.

6. MINERAL INTERESTS (continued)

m) PPM (Poverty Peak), Humboldt County, Nevada (continued)

Option Due Dates	Exploration Expenditures US$
July 17, 2008 (met)	175,000
July 17, 2009 (not met, extended)	200,000
July 17, 2010 (not met, extended)	300,000
July 17, 2011	425,000
July 17, 2012	650,000
Total consideration	**1,750,000**

n) 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 2009 fiscal year.

o) 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 (paid)	75,000	-
November 18, 2010 (paid subsequently)	75,000	-
November 18, 2011 to 2012 at $75,000 per year	150,000	-
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**

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

6. MINERAL INTERESTS (continued)

o) Red Canyon Property, Eureka County, Nevada (continued)

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

During the 2010 fiscal year additional claims within the area of interest of the Red Canyon mining lease were staked ("NC" claims) and are included in the exploration with option to joint venture agreement with Montezuma.

p) 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 (paid)	30,000
May 27, 2011	40,000
May 27, 2012	40,000
May 27, 2013	50,000
May 27, 2014	50,000
May 27, 2015 $60,000 and each year thereafter to be adjusted for inflation per the USA CPI	600,000
Total consideration	**906,250**

On October 1, 2009 the Company signed an exploration with option to joint venture agreement with NuLegacy Gold Corporation ("NuLegacy"), whereby 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 within ten years of election. NuLegacy paid the Company $11,719 (US$11,000) on execution of the agreement as reimbursement for the September 1, 2009 payment of the 2009-2010 federal claim maintenance fees and NuLegacy also issued 200,000 common shares to Miranda.

6. MINERAL INTERESTS (continued)

p) Red Hill Property, Eureka County, Nevada (continued)

Due Dates	Exploration Expenditures US$
July 1, 2010 (obligation, met)	200,000
January 1, 2011 ($150,000 obligation)	300,000
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**

q) Redlich Property, Esmeralda County, Nevada

The Company completed the purchase of the Redlich Property in 2008 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.

On June 4, 2010 the Company signed an agreement with SIN Holdings Inc. (“SIN”) whereby SIN could have earned a joint venture interest in the Redlich project, however SIN immediately terminated the agreement and did not fulfill its obligations.

r) TAZ Property, Eureka County, Nevada

During the 2010 fiscal year the Company staked claims at a cost of $10,683.

Certain of the TAZ claims are subject to a 1% NSR royalty pursuant to a finder’s fee agreement and, in addition, the Company paid the finder $2,081 (US$2,000).

s) Association Agreement, Colombia

On December 2, 2009 (amended December 17, 2009), the Company executed an Association Agreement by and among ExpoGold Colombia S.A. (“ExpoGold”), the Company, and the Company’s newly organized subsidiary Miranda Gold Colombia II Ltd. (“MAD II”) and the Colombian branch of MAD II.

Pursuant to the terms of the Association Agreement the Company issued 350,000 common shares at a fair value of $206,500 to ExpoGold and will fund an annual exploration program of approximately US$600,000 in Colombia. The Company has also secured a 360-day first right of refusal to lease any of the 45 license applications in Colombia controlled by ExpoGold. The Company has paid acquisition costs on five additional properties in Colombia of $133,069.

6. MINERAL INTERESTS (continued)

t) Pavo Real Option, Colombia

On June 24, 2010, the Company executed an option agreement (the "Pavo Option") by and among ExpoGold, the Company, and the Company's newly organized subsidiary Miranda Gold Colombia III Ltd. ("MAD III"); and the Colombian branch of MAD III to acquire the Pavo Real mining interest. The terms of the Pavo Option were agreed to in the Association Agreement.

Mining Option Due Dates	Cash consideration to be paid to ExpoGold US$	Common shares to be issued to ExpoGold
June 24, 2010 (paid and issued)	20,000	100,000
December 24, 2010	20,000	100,000
June 24, 2011	50,000	100,000
June 24, 2012	60,000	100,000
June 24, 2013	70,000	100,000
June 24, 2014	80,000	100,000
June 24, 2015	100,000	100,000
Total consideration	**400,000**	**700,000**

The following cash payments due by MAD III to ExpoGold pursuant to the Pavo Option will be funded by Red Eagle Mining Corporation ("Red Eagle") pursuant to the shareholder agreement as described below:

i. On signing the Pavo Option, MAD III paid ExpoGold US$20,000 and the Company issued 100,000 common shares to ExpoGold. To maintain the Pavo Option, over the next five year anniversary dates, a total of US$380,000 additional cash payments and a further 600,000 common shares of the Company will be issued. Annual payments of US$100,000 plus the issue of 100,000 common shares will be required to maintain the option until the first milestone is achieved. While Red Eagle is a shareholder of MAD III, Red Eagle will issue to Miranda one common share of Red Eagle for each common share of Miranda that Miranda has issued to ExpoGold on behalf of MAD III; and

ii. The first milestone is the definition of a NI 43-101 Measured and Indicated resource greater than or equal to 250,000 ounces of gold equivalent. MAD III will pay ExpoGold $100,000 if it is less than 500,000 ounces of gold equivalent and $250,000 if it is more. Additional payments will be owed by MAD III at various milestones as the steps to production progress.

On June 25, 2010 the Company entered into a share purchase agreement ("SPA") and shareholder agreement ("SA") with Red Eagle. The SPA and SA agreements became effective on June 24, 2010. Pursuant to the SPA, Miranda assigned 70% of the shares of MAD III to Red Eagle. The activities of MAD III will be governed by the SA. To maintain its 70% shareholding in MAD III, effectively representing a 70% interest in the Pavo Option and the Pavo Real mining interest, Red Eagle must make an aggregate US$4,000,000 contribution to MAD III within the next four years. These funds will be used to fund exploration work at the Pavo Real project. Red Eagle must then further fund MAD III at a minimum of US$1,000,000 per year and either complete a bankable feasibility study on the Pavo Real project within eight years or contribute a minimum of US$10,000,000 within 10 years. If at that time the board of directors of MAD III approves a feasibility study and a mine construction program on the Pavo Real project, then Red Eagle will have the option for a period of 30 days to elect to acquire an additional 10% interest in MAD III by committing to solely fund all costs associated with putting the property into production. If Red Eagle fails to make any of the capital contributions within the stated time periods, including reimbursement to Miranda for costs related to the Pavo Option and Pavo concession prior to the effective date of the SPA, Red Eagle will forfeit its shares of MAD III to Miranda.

6. MINERAL INTERESTS (continued)

u) Pavo Real Option, Colombia (continued)

Due Dates	Exploration Expenditures US$
June 24, 2011	500,000
June 24, 2012	750,000
June 24, 2013	1,000,000
June 24, 2014	1,750,000
Total consideration	**4,000,000**

7. SHARE CAPITAL

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

b) Share issuance

On March 18, 2010 the Company completed a non-brokered private placement of 5,686,492 units at a price of $0.65 per unit, for gross proceeds of $3,696,220. 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 $1.00 per share until March 18, 2012. The proceeds of the financing of $3,696,220 were allocated on a relative fair value basis as $2,914,305 to common shares and $781,915 as to warrants. An additional 180,950 shares at a value of $101,332 were issued as a finder's fee pursuant to the private placement. Cash share issue costs pursuant to this private placement were an additional $85,594. The assumptions used in the Black-Scholes option pricing model for the relative fair value allocation were: a risk free interest rate of 1.56%; an expected volatility of 79%; an expected life of 2 years; and an expected dividend of zero.

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.

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% in each subsequent six month period.

The continuity for stock options is as follows:

Expiry date	Exercise price	Balance, August 31, 2009	Granted	Exercised	Expired / Forfeited	**Balance August 31, 2010**
February 17, 2010	$ 0.71	973,750	-	-	(973,750)	**-**
October 18, 2010 *	$ 1.18	80,000	-	-	-	**80,000**
April 17, 2011	$ 0.70	425,000	-	-	(25,000)	**400,000**
May 31, 2011	$ 0.70	50,000	-	-	-	**50,000**
March 28, 2012	$ 0.70	470,000	-	-	(75,000)	**395,000**
January 31, 2013	$ 0.70	1,170,000	-	-	-	**1,170,000**
February 25, 2014	$ 0.35	2,257,000	-	(55,000)	-	**2,202,000**
		5,425,750	-	(55,000)	(1,073,750)	**4,297,000**
Weighted average exercise price		$ 0.56	$ -	$ 0.35	$ 0.71	**$ 0.53**

* expired unexercised subsequent to year-end

All of the outstanding options are exercisable at August 31, 2010.

Expiry date	Exercise price	Balance, August 31,2008	Granted	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
April 17, 2011	$ 0.70	425,000	-	-	-	425,000
May 31, 2011	$ 0.70	50,000	-	-	-	50,000
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, 1,128,500 had not vested.

7. SHARE CAPITAL (continued)

c) Stock Options Outstanding (continued)

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)	-
April 17, 2011	$ 1.92	1,475,000	-	-	(1,475,000)	-
April 17, 2011 (1)	$ 0.70	425,000	-	-	-	425,000
May 31, 2011 (1)	$ 0.70	50,000	-	-	-	50,000
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.

d) Stock Based Compensation

During the year ended August 31, 2010, the Company recorded $174,832 (2009 - $537,550; 2008 - $1,540,880) in stock-based compensation expense for a series of options vested during the year.

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.

7. SHARE CAPITAL (continued)

e) Share Purchase Warrants

The continuity for share purchase warrants is as follows:

Expiry date	Exercise price	Balance, August 31, 2009	Issued	Exercised	Expired	**Balance August 31, 2010**
October 4, 2009	$ 1.50	4,713,500	-	-	(4,713,500)	**-**
January 23, 2010	$ 0.55	15,000	-	(15,000)	-	**-**
December 9, 2011	$ 0.50	-	100,000	-	-	**100,000**
March 18, 2012	$ 1.00	-	5,686,492	-	-	**5,686,492**
		4,728,500	5,786,492	(15,000)	(4,713,500)	**5,786,492**
Weighted average exercise price		$ 1.50	$ 0.99	$ 0.55	$ 1.50	**$ 0.99**

On December 9, 2009, pursuant to a mining lease agreement with Range (see Note 6(f)), the Company issued 100,000 share purchase warrants with an exercise price of $0.50, expiring on December 9, 2011 with a fair value of $27,113. The assumptions used in the Black-Scholes option pricing model for the fair value were: a risk free interest rate of 1.21%; an expected volatility of 87%; an expected life of two years; and an expected dividend of zero.

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	$ -	$ -	$ -	$ 1.50

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

7. SHARE CAPITAL (continued)

e) Share Purchase Warrants (continued)

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 interests 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 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 year ended August 31, 2010, 2009, and 2008 the Company:

- paid $7,727 (2009 - $6,619; 2008 - $6,740) to directors or companies controlled by common officers or directors for rent, telephone, secretarial, website, internet, regulatory filings, and office services;
- paid $100,100 (2009 - $96,600; 2008 - $89,250) to a company controlled by a common officer pursuant to a contract for professional services;
- paid $nil (2009 - $nil; 2008 - $12,500) to a company controlled by a common director for management of the Company's affairs;
- paid fees to independent directors of $43,355 (2009 - $28,462; 2008 - $22,652); and
- in the year ended August 31, 2008, included in property exploration costs 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 Coal Canyon and Red Hill properties described in Note 6.

Ian Slater, a director common to both the Company and Red Eagle, a private B.C. company, abstained from voting at both company's board of directors meetings that approved the SPA and SA for the Pavo property described in Note 6.

At August 31, 2010 an amount of $28,881 for expenses and director fees owed to officers and directors are included in accounts payable and accrued liabilities (2009 - $4,793). These amounts were settled in the ordinary course of business shortly after the period end.

10. INCOME TAXES

The Company is subject to income taxes in Canada, in the USA, and in Colombia. 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:

	2010	2009	2008
Combined statutory tax rate	29%	30%	32%
Computed income tax benefit	$ 989,000	$ 705,000	$ 1,010,000
Unrecognized items for tax purposes	(430,000)	(158,000)	(496,000)
Adjustments in tax rates	-	(17,000)	(61,000)
Income tax losses not recognized	(559,000)	(530,000)	(453,000)
	$ -	$ -	$ -

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

	2010	2009
Capital assets	**$ 84,000**	$ 23,000
Exploration and development deductions	**784,000**	275,000
Non-capital losses carried forward	**2,239,000**	2,576,000
Other temporary differences	**-**	11,000
	3,307,000	2,885,000
Valuation allowance	**(3,307,000)**	(2,885,000)
	$ -	$ -

As at August 31, 2010 the Company has available for deduction against future taxable income, non-capital losses in Canada of approximately $3,565,000 and in the USA of approximately $4,551,000. Unless utilized, these losses will expire through to 2030.

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, 2010, the available resource deductions amounted to approximately $794,000. USA exploration resource deductions are amortized over a 10 year period. As at August 31, 2010, the available USA resource deductions amounted to approximately $1,722,000.

11. SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties and has two geographical segments: USA and Colombia. The total assets attributable to the geographical locations relate primarily to equipment and deferred mineral property costs and have been disclosed in Notes 5 and 6.

12. SUBSEQUENT EVENTS

a) On September 26, 2010 the Company granted stock options to directors, officers, employees and consultants on 1,895,000 shares of the Company's capital stock, exercisable for up to five years at a price of $0.56 per share. The options granted will vest 50% immediately, and 50% in twelve months from the date of grant;

b) On December 1, 2010 the Company granted stock options to employees on 50,000 shares of the Company's capital stock, exercisable for up to five years at a price of $0.69 per share. The options granted will vest 50% immediately, and 50% in twelve months from the date of grant;

c) The Company issued 180,000 common shares pursuant to the exercise of stock options for proceeds of $63,000;

d) On October 18, 2010 80,000 stock options expired unexercised; and

e) On November 3, 2010 the Company closed a non-brokered private placement consisting of 1,000,000 units at a price of $0.50 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the subscriber to purchase one additional common share in the capital of the Company at a price of $0.75 for a period of two years from the date of closing of the private placement.

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

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). There are no material variations in the accounting principles, practices, and methods used in preparing these financial statements from those principles, practices, and methods accepted in the United States ("US GAAP").

Recent United States Accounting Pronouncements:

In January 2010, FASB issued an accounting standards update for fair value measurements and disclosure. This update requires additional disclosures related to transfers in and out of level 1 and 2 fair value measurements and enhanced detail in the level 3 reconciliation. The guidance was amended to clarify the level of disaggregation required for assets and liabilities and the disclosures required for inputs and valuation techniques used to measure the fair value of assets and liabilities that fall in either level 2 or level 3. The updated guidance became effective for the Company's fiscal year beginning August 1, 2010 with the exception of the level disaggregation which becomes effective for the Company's fiscal year beginning August 1, 2011. The adoption of the updated guidance had no impact on the Company's financial statements.

In January 2010, FASB issued accounting standards update for the deconsolidation of a subsidiary or de-recognition of a group of assets. This update requires additional disclosure related to the valuation techniques used to measure the fair value of any retained investment in the former subsidiary or group of assets, the nature of the continuing involvement with the subsidiary or entity acquiring the group of assets and whether the transaction was with a related party or whether the former subsidiary or entity acquiring the group of assets will become a related party. This amendment clarifies but does not change the scope of current US GAAP. The updated guidance became effective for the Company's fiscal year beginning August 1, 2010. The adoption of the updated guidance had no impact on the Company's financial statements.

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 became effective in the first quarter of the Company's fiscal 2010. The adoption had no impact on the Company's consolidated financial position results of operations or cash flows.