MIRANDA GOLD
CORP.

ANNUAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2007

FSE: MRG

OTCBB: MRDDF

TSX-V: MAD

Letter to our Shareholders

Dear Miranda Gold Shareholders,

Creating value through exploration and discovery has been Miranda Gold Corp.'s focus since the new team was formulated in 2004. With one of the strongest exploration teams in Nevada and a CA$12 million treasury, we are very well positioned moving into 2008 to accomplish our goals. This past year was a year of challenges and rewards, a year during which the general market malaise did not seem to improve with an $800 per ounce price of gold, but where institutional investment in junior exploration companies continued to grow. At Miranda Gold, we worked very hard to offset the challenges with rewards, which ultimately produced a stronger treasury, a well-positioned portfolio of high quality assets, new joint venture agreements and increased market awareness.

The continued application of the joint venture business model provided our investors the opportunity to participate in a number of projects this year without depleting our cash treasury. While realizing that one of the draw backs of the joint venture model relates to our inability to control the timing of work done by our partners, Miranda Gold continues to firmly embrace this method of conducting business. As one of our significant shareholders, Rick Rule, likes to say - "The safest, surest way to participate in discovery is to *patiently* accumulate prospect generators". Miranda Gold currently has a total of 15 properties, eight of them in exploration agreements with funding partners. We continue to generate new projects and seek new partners to fund exploration for those projects not yet joint ventured. We have recently seen an increased interest in Nevada and as a result there are several companies reviewing data on our Horse Mountain, Coal Canyon, BPV and CONO projects. We are hopeful that all of these projects will have funding partners in 2008.

Highlights of 2007 include:

- Three properties drilled;
- Eight projects funded by partners, totaling exploration expenditures of $1.9 million;
- A second partnership formed with White Bear Resources Inc. at Angel Wings, making it the eighth property joint ventured;
- $230,000 in payments received from partners;
- 100,000 shares of stock received from White Bear Resources;
- $2.4 million received from the exercise of warrants ;

Red Canyon rig drilling an angle hole (ROM07-03) at the Ice Prospect

- $4.7 million equity financing including the Lundin and Rule Family Trusts; and
- Ian Slater joins Miranda board providing us with a direct link to the Lundin Group of Companies

Moving into 2008 we anticipate the following:
- Drill results from Red Hill and Red Canyon;
- Drilling at PPM by partner Piedmont Mining Company, Inc. during the first quarter ;
- Drilling at Iron Point by partner White Bear Resources during the first half;
- Drilling at Angel Wings by partner White Bear Resources in the second quarter ;
- Potential new partners at Horse Mountain, Coal Canyon, BPV and CONO; and
- New property acquisitions to strengthen our portfolio and chances of discovery

Antimony prospect at Red Hill with East pediment target in the background

Miranda Gold'd team soil sampling at Angel Wings

Over the last 12 months Miranda Gold has also been very active in market awareness programs and conferences. We targeted ownership in institutional funds, especially those in Switzerland, and can report that we currently have 6% of our shares in the hands of gold funds. Miranda Gold was further endorsed by a $4.7 million equity financing with the Lundin and Rule Family Trusts completed in October 2007.

As assays are pending from two of our Cortez Trend projects we will have news flow as we move into the New Year. Everyone at Miranda is hoping for good drill results while realizing that discovery takes time and is a long term goal. In order to achieve this goal the fundamentals of the Company must be strong. We are better positioned than ever with a strong treasury of $12 million, full time staff of four geologists at our Elko Exploration office, which includes some of the most accomplished geologists in Nevada, a talented Investor Relations Manager in Vancouver, the support of Doris Meyer, our CFO and her team and a successful and well-recognized Board of Directors.

As an exploration company with a fully cashed up treasury we are also able to take on new opportunities for growth. With gold at over $800 per ounce we are excited to see what 2008 brings. Hopefully the junior market will awaken and we will see serious advancements on our projects and share price.

I'd like to thank the Miranda Gold team for their dedication and impeccable work bringing value to our shareholders throughout the year. On behalf of the team, I would also like to thank you, shareholders, for your continued support.

"*Kenneth Cunningham*"
Kenneth Cunningham
President and CEO

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Investor Perception Survey

Dear Investors,

In a continued effort to keep you informed about Miranda Gold's exploration activities, we are conducting an Investor Perception Survey. This survey is aimed at better understanding what is important to you, the investor, when it comes to how Miranda Gold communicates with the public as well as how we conduct our business. Please take a moment out of your busy day to answer the questions, as they will help our communication with you.

The questions focus on a variety of topics including your opinion on investor relations efforts, management and your investment in Miranda Gold. All of the information will be kept strictly confidential and will be used for the sole purpose of improving our communications efforts during the next fiscal year. You don't even have to give your name if you choose not to. We feel that it's important to the overall success of the company to be aware of how you think we're doing. None of the questions are meant to be intrusive, simply informative. Questions such as those that relate to your broker, for example, are meant to better understand which brokerage firms we need to focus on communicating more with in order to keep you, the investor, informed. There is also room for you to give us suggestions or comment on anything you may want us to know.

We appreciate you taking the time to answer the survey. Should you have any questions please contact Fiona Grant, the Manager of Investor Relations, in Vancouver, toll free at 1-877-689-4580 or via email at fiona@mirandagold.com.

Sincerely,
Fiona Grant
Manager, Investor Relations
Miranda Gold Corp.

Please take a moment to visit the site below to answer our Investor Perception Survey.

http://www.mirandagold.com/survey

MIRANDA GOLD CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2007

The following discussion is management's assessment and analysis of the results of operations and financial conditions ("MD&A") of Miranda Gold Corp. (the "Company" or "Miranda") and should be read in conjunction with the accompanying audited annual consolidated financial statements and related notes thereto for the years ended August 31, 2007 and 2006.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Containing information as at December 14, 2007, except as indicated.

Forward looking statements

This MD&A contains certain forward-looking statements related to, among other things, expected future events, future spending levels and the future financial and operating results of the Company. Forward-looking statements are encouraged to enhance communication but are subject to inherent risks and uncertainties including but not limited to, market and general economic conditions, changes arising as drilling results are received, changes in regulatory environments affecting the Company and the availability and terms of subsequent financings. Other risks and uncertainties are detailed below. Consequently, actual results and events may differ materially from those included in, contemplated or implied by such forward looking statements for a wide variety of reasons.

Overall Performance

Description of Business and Overview of Projects

Miranda is in the natural resource sector engaged in the acquisition, exploration and, given the proper situation, development of mineral properties. The Company's primary focus is on gold exploration. The Company has varying interests in a number of mineral properties, mostly located in Nevada, and is dominantly, but not exclusively, focused on the Cortez Trend. The Company's preferred approach is to joint venture its properties to other companies for more advanced exploration and development.

Presently the Company has 15 gold exploration projects in various stages of exploration. All but one of the projects is in Nevada. These projects include the Redlich project located in Esmeralda County; the Red Canyon, Fuse (East and West), Red Hill, Coal Canyon, BPV, CONO, ETTU and DAME projects located in Eureka County; the Horse Mountain project located in Lander County; the Iron Point and PPM projects located in Humboldt County; and the Angel Wings property located in northern Elko County. The Lookout property is in Tooele County, Utah.

The Company continues to develop exploration models that define favorable areas or potential locations of large sediment-hosted gold systems based on a geologic understanding of recent developments on the Cortez Trend. Complementing Miranda's efforts to identify direct extensions of the Cortez Trend southeast into the Horse Creek Valley-Pine Valley area, the Company is utilizing Geographic Information Systems (GIS) and regional geological, geophysical and geochemical databases to identify other discrete mineral belts that might be as significant as the Cortez Trend.

The Company has built a track record of successful project definition and acquisitions. The Company shares project risk by joint venturing properties thus providing shareholders exposure to numerous gold exploration projects while at the same time conserving the treasury.

As at December 14, 2007 Miranda's funding partners are exploring and advancing the Redlich, Red Canyon, Fuse (East and West), Red Hill, Iron Point, PPM and Angel Wings projects. Exploration plans for these projects follows.

Redlich, Esmeralda County, Nevada

- The Company's Redlich exploration project is under a March 4, 2004 exploration and option to joint venture agreement with Newcrest Resources Inc.

- Newcrest added to our property position by staking an additional 52 lode claims to cover lands north and east of the current claim block. The Redlich property now consists of 171 contiguous lode claims that cover 5.5 square miles (14.2sq km).

- Newcrest's 2007 core drilling program comprised two oriented core holes totaling 2,376 feet. The holes were designed as offsets to drill hole R-73, a reverse circulation hole that intersected 55 feet of 0.046 ounces of gold per ton and 10 feet of 1.037 ounces of gold per ton. In drill hole RD-1 significant low-grade gold was intersected from 210 to 265 feet in iron stained to gossanous andesite. Results of the program were announced by the Company on October 15, 2007.

- In total, Newcrest has completed 40,568 feet of drilling in 63 drill holes at Redlich. Drilling has focused on a northwest-trending fault corridor hosting high-grade gold in low-sulfidation quartz veins and thick, continuous zones of disseminated / quartz-stockwork-hosted gold surrounding the high-grade veins.

- Results from these drilling campaigns verify the presence of both styles of gold mineralization. A three-dimensional model outlines a 1,000 feet east-west by 1,200 feet north-south mineralized envelope grading >0.01 ounces of gold per ton surrounding a higher-grade "vein" zone. This gold mineralization remains open to the west, southeast and south.

Red Canyon, Eureka County

- The Company's Red Canyon exploration project is under a July 12, 2006 exploration and option to joint venture agreement with Romarco Minerals Inc.

- Romarco began a reverse circulation drilling program in early November 2007. A plus 6,000 feet program is anticipated in three unique target areas.

- Romarco's drilling will test for extensions to gold mineralization at the Ice Prospect, where a previous hole intersected 95 feet of 0.117 ounces of gold per ton from a depth of 20 feet to 115 feet. Additional drill holes, between the Ice Zone and Gexa Prospects, will test for deeper gold zones identified by the 2005 drilling campaign.

- The Red Canyon project area covers 7.7 square miles consisting of 237 unpatented lode mining claims. The property adjoins U.S. Gold's Tonkin Springs property to the east. The project covers an erosional "window" that exposes altered, brecciated and silicified lower plate carbonate rocks that are age equivalent to the host rocks at the Cortez Hills discovery. Drilling in 2005 by Newmont Mining Corporation, Miranda's previous funding partner identified an extensive hydrothermal system between the Ice and Gexa target areas. Newmont's holes encountered deep oxidation, moderate to strong silicification and select intervals of fluidized breccias. These alteration features combined with elevated gold confirm the presence of a deeper, previously unrecognized Carlin-style gold system.

Fuse (East and West), Eureka County, Nevada

- The Company's Fuse (East and West) exploration projects are under September 28 and November 15, 2005 exploration and option to joint venture agreements with Barrick Gold Exploration Inc.

- The Fuse East property consists of claims that lie within the boundaries of the Cortez Joint Venture (Barrick Cortez Inc. 60% - Kennecott Exploration 40%). Barrick drilled one hole to a depth of 1,860 feet in 2006 with no significant gold reported. Barrick was not active on the claims in 2007.

- The Fuse West property consists of claims that lie within the boundaries of the Buckhorn joint venture (Barrick-Teck Cominco American Incorporated) exploration area of interest.

- In July 2004 the Company conducted a real-time mercury soil gas sampling on the Fuse project to define drill targets. A total of 362 stations were sampled. Preliminary results show low level mercury anomalies. These anomalies suggest both northeast and northwest trends that can be tested by drilling.

- The Company staked the Fuse claims in alluvial cover over gravity highs. Interpretation of the gravity data suggests that bedrock is relatively shallow. Several prominent structural features are also expressed in the gravity data. The Company believes that mercury soil gas anomalies coinciding with a NNW-WNW-trending fault fabric indicated by gravity surveys are good vectors to covered gold systems in the Cortez Trend.

- The Fuse property represents an exploration play with the potential of discovering a Carlin-type deposit under the pediment in Pine Valley. The Horse Canyon Valley-Pine Valley area, in which Fuse lies, represents a geologic setting similar to Crescent Valley, an area which hosts several gold mines.

Red Hill, Eureka County, Nevada

- The Company's Red Hill exploration project is under an October 27, 2004 exploration and option to joint venture agreement with Barrick Gold Exploration Inc

- In late October 2007 Barrick's reverse-circulation drill program commenced.

- The reverse circulation drill program will consist of approximately 10,000 feet of drilling. Drilling will step-out from BRH-013, a hole completed in 2006 that intersected 80 feet of 0.146 ounces of gold per ton from 1,920 to 2,000 feet. This intercept included a 45 foot interval of 0.237 ounces of gold per ton between 1,920 feet and 1,965 feet. Mineralization in BRH-013 is associated with high levels of arsenic, antimony, mercury and thallium. These features and the presence of altered igneous dikes indicate that a Carlin-style gold system is present at Red Hill.

- The step-out drilling to BHR-013 will test the margins of a west northwest-striking CSAMT geophysical resistor, a feature that focused the placement of BRH-013. In addition, a recently completed gravity survey has identified a northeast-trending embayment that suggests possible crosscutting faults intersecting that CSAMT resistor. Two of the five planned holes will test these geophysical features.

- The remaining three drill holes will test a pediment-covered target on the east side of the property. This target comprises the extension of strong decalcification, silicification and antimony mineralization that is exposed in an east-west striking fault zone known as the Long Fault. Gravity data has identified a structural feature in the sub-surface that is being targeted with this drilling.

- Barrick's drilling at Red Hill is part of a larger campaign near BRH-013 that includes drilling on lands adjoining to the west.

Iron Point, Humboldt County, Nevada

- The Company's Iron Point exploration project is under a November 22, 2006 exploration and option to joint venture agreement with White Bear Resources Inc.

- Company geologists, on behalf of White Bear conducted a geologic mapping, systematic soil sampling and rock-chip sampling and interpreted a property wide gravity survey. These data will be compiled with previous exploration results to identify opportunities worthy of follow-up drilling in early 2008.

- The Iron Point project consists of 178 unpatented lode mining claims that cover 5.8 square miles. The Company holds title to 150 of the claims and has a leasehold interest on an additional 28 claims.

- The project is favorably located at the intersection of the Battle Mountain-Eureka trend with the Getchell Trend. Major producing mines within a 25-mile radius of the project represent over 30 million ounces of combined mined and remaining gold reserves.

PPM, Humboldt County, Nevada

- The Company's PPM exploration project is under an April 17, 2007 exploration and option to joint venture agreement with Piedmont Mining Company Inc.

- The PPM project covers 3.6 square miles consisting of 116 unpatented lode mining claims. PPM is approximately 12 miles northwest of the Twin Creeks Mine on the west flank of the Hot Springs Range.

- Miranda theorizes that the PPM project covers a geologic setting analogous to that of the major deposits of the Getchell Trend, where combined past production and current resources are reported by the operators to exceed 23 million ounces of gold from the Twin Creeks, Getchell-Turquoise Ridge, and Pinson deposits.

- Miranda has identified a pediment-covered gold target along northeast-striking faults, which extends southwest from a sediment-hosted mercury district. The claims are located over an area where those northeast-striking structures intersect gold-in-sagebrush geochemical anomalies proximal to the margin of an inferred buried intrusion. Sedimentary rock-hosted mercury occurrences are frequently in close spatial association with sedimentary rock-hosted gold systems and were documented previous to modern gold discoveries in the Carlin, Cortez, and Getchell Trends. The mercury occurrences adjacent to PPM may reflect zoning from a primary gold system under pediment near the inferred intrusive margin.

- Miranda on behalf of Piedmont conducted a detailed gravity survey, sage sampling, and mercury in soil gas surveys to help define structural targets beneath pediment gravels. Survey work is being evaluated for use in planning a drill program to be conducted in the first quarter of 2008.

Angel Wings, Elko County, Nevada

- The Company's Angel Wings exploration project is under a May 15, 2007 exploration and option to joint venture agreement with White Bear.

- Company geologists, on behalf of White Bear conducted a geologic mapping, systematic soil sampling and rock-chip sampling and interpreted a 420 station property wide gravity survey. These data will be compiled with previous exploration results to identify opportunities worthy of follow-up drilling in 2008.

- The Angel Wings property contains two styles of epithermal gold mineralization associated with a 6-mile long, northeast-striking structural zone. The first style, with high-grade, gold-bearing, epithermal veins, occurs within a carbonate window eroded through a large volcanic-hosted alteration cell. The poorly exposed veins are up to 10 feet wide and trend northerly through silicified carbonate rocks for 2.5 miles. Select channel samples, from steeply dipping quartz-calcite-adularia veins, returned assays ranging from 0.010 to 2.700 ounces gold per ton. The high-grade veins remain untested in a zone measuring one mile along strike, 1,200 feet wide and at depth.

- Surface sampling also identified the second style disseminated, sediment-hosted gold mineralization with grades up to 0.044 ounces gold per ton in silicified and clay-altered Paleozoic rocks. Shallow drilling by previous exploration companies for disseminated gold reported intersecting 0.047 ounces gold per ton over 50 feet in drill hole DC-7. Both styles of gold mineralization will be evaluated with drilling during the first half of 2008.

As at December 14, 2007 Miranda is seeking funding partners to continue exploration programs to advance the Horse Mountain, Coal Canyon, BPV and CONO, ETTU and DAME and Lookout projects.

Horse Mountain, Lander County, Nevada

- Until June 2007, the Company's Horse Mountain exploration project was under an exploration and option to joint venture agreement with Barrick.

- Miranda geologists have reviewed exploration data generated by Barrick and believe high-quality drill targets exist within a structurally uplifted block ("horst") and along the margins of this block for high-grade gold mineralization.

- During the two years of the agreement Barrick completed a total of 11,776 feet of drilling in five holes spaced 1,000 to 2,000 feet apart. Cumulative expenditures by Barrick over this two year period totaled US$872,000. To date, eight drill holes have intersected lower-plate carbonate rocks beneath a 3,300 by 7,200 foot zone of pervasively altered and geochemically anomalous upper-plate rocks. These holes begin to outline a 950 by 2,000 foot, northeast-striking carbonate horst that is covered by the altered upper-plate rocks. The carbonate horst contains gold mineralization, vertically-extensive hydrothermal alteration, a deep oxidation plume and igneous dikes.

  Similar geological features to those observed at Horse Mountain are documented at the Cortez Hills and West Leeville gold deposits of northern Nevada.

- Drill results at Horse Mountain include:
  - 98 feet of 0.023 ounces gold per ton in hole BHM-001;
  - 90 feet of 0.022 ounces gold per ton; and
  - 50 feet of 0.016 ounces gold per ton in hole BHM-005.

- Gold mineralization in BHM-001 is hosted in oxidized, decalcified and clay-altered Roberts Mountains Formation, in the lower-plate carbonate horst. Miranda geologists are particularly encouraged by the strength of the hydrothermal alteration cell as evidenced by oxidation to depths in excess of 1000 feet and significant gold mineralization with thicknesses averaging close to 85 feet.

- A gold-bearing Carlin-type mineral system has been discovered at Horse Mountain and Miranda hopes to guide future exploration to finding high-grade, structurally confined portions of it.

Coal Canyon, Eureka County, Nevada

- Until March 2007, the Company's Coal Canyon exploration project was under an exploration and option to joint venture agreement with Golden Aria Corp.

- The Coal Canyon project is approximately three miles south of the Cortez Joint Venture's ET Blue project and adjoins the northeast side of US Gold's Tonkin Springs property.

- The property consisting of 64 unpatented lode claims occupies approximately two square miles of the Coal Canyon lower-plate window comprised of the Devonian Wenban, Silurian-Devonian Roberts Mountain and Ordovician Hanson Creek Formations. These formations are important host rocks in the Cortez Trend.

- On January 26, 2007 Miranda announced that Golden Aria completed a two-hole drill program totaling 2,020 feet. The holes, MCC-1 and MCC-2, were designed to test resistivity and self-potential anomalies at the intersections of altered fault zones, in favorable lower plate carbonate rocks. The holes intersected six, 30 foot to 200 foot thick zones of moderately decalcified, and variably silicified/clay altered silty limestone. Neither of the holes intersected significantly anomalous gold mineralization.

- Miranda believes that quality exploration targets remain untested on the Coal Canyon property. Recent drilling has added to Miranda's understanding of exploration opportunities and the depth to favorable host rocks. The Company is optimistic that a new partner will be found to advance exploration opportunities.

BPV & CONO, Eureka County, Nevada

- Until November 2006, the Company's BPV&CONO exploration projects were under an exploration and option to joint venture agreement with Agnico Eagle Mines Ltd.

- Agnico completed a five-hole drill program totaling 7,070 feet on the BPV-CONO project during the term of the agreement. The drill holes were designed to test for lower-plate carbonate rocks, which were projected based on detailed gravity, magnetotelluric (MT) profiles and mercury gas surveys. The holes intersected weakly altered to unaltered upper-plate siliceous rocks beneath pediment gravels. None of the holes intersected favorable lower-plate carbonate rocks, or significantly anomalous gold or pathfinder trace elements.

Ettu and Dame, Eureka County, Nevada

- Miranda staked two claim blocks called the ETTU and DAME projects in Kobeh Valley, on the south end of the Eureka - Battle Mountain (Cortez) Gold Trend based on the results of evaluating geophysical data (specifically, filtered gravity), mercury gas data, and other exploration data-sets. The results of studies by the Company and competitor exploration activities in the Kobeh Valley prompted Miranda's claim staking.

- The Company targeted the ETTU area from structural interpretations of gravity data. The ETTU property covers a portion of the Kobeh Valley pediment on the projected intersection of two mineral trends. Data suggests that a prominent northwest structure extends south from the Afghan deposit to intersect the east-southeast projection of the Gold Bar structure beneath shallow gravel on the ETTU property. Upper Devonian carbonate rocks to the north are expected to occur under pediment gravel on ETTU. The Company has conducted no exploration on the ETTU claims. Airborne resistivity and magnetic surveys were acquired for the property and are being evaluated to advance drill targets.

- The DAME claim group extends approximately 7 miles to the southeast off the north flank of Lone Mountain. The Company infers that any large Carlin-type gold system beneath Kobeh Valley would likely produce a NW-SE trending, district-scale array of en echelon deposits associated with WNW, NNW and NE-trending fault blocks. Miranda's DAME claims are located on such fault intersections and basement highs as suggested by filtered gravity data. The Company has not conducted any exploration on the DAME property.

Lookout, Tooele, Utah

- In October 2006, Miranda staked 189 lode claims that cover two unique areas of hydrothermally-altered and brecciated carbonate rocks that contain elevated gold, arsenic, antimony, mercury and thallium. These features indicate favorable geologic conditions known to be associated with sediment-hosted gold deposits.

- Lookout is in the eastern portion of the Great Basin physiographic province, an area known to host economic, sediment-hosted gold deposits such as Mercur, Barney's Canyon and Melco. The property is 23 miles southwest of the 3.5 million ounce Mercur gold mine, which was active until 1997. Miranda’s exploration strategy in Utah is to identify early-stage sediment-hosted gold opportunities in under-explored terrains. Company geologists believe the Lookout project meets these criteria and systematic exploration is warranted.

- At Lookout, United States Geological Survey mapping illustrates north-south trending mountain ranges that inflect into a west-northwest striking fault/fold corridor. Within this corridor, Cambrian through Mississippian-age carbonate rocks, chert and quartzite are exposed at surface. The Great Blue Formation, gold host at the Mercur gold mine, is exposed on the northern portion of the property. Detailed mapping at Lookout indicates these rocks are cut by west-northwest, northeast and north-south striking faults that focus hydrothermal alteration in the form of iron oxides, decalcification, silicification, clay alteration, quartz and calcite veins, and carbon.

- To guide drill target selection, Miranda’s exploration team is collecting geochemical samples, mapping and prospecting with a portable NITON x-ray fluorescence unit. The NITON measures elemental concentrations of rocks in the field and provides real time data to guide geochemical sampling. Contractors completed a 497-station, property-wide gravity survey. Interpretation of the gravity survey has identified numerous structural features and assisted in the design of a 561 station soil sampling survey. Results of this geochemical survey are pending.

The Company is seeking a partner to conduct exploration on the Lookout project.

Qualified Person

The data disclosed in this MD&A have been reviewed and verified by Company President and CEO Ken Cunningham (M.Sc. and Registered Professional Geologist), a "qualified person" as that term is defined in National Instrument 43-101.

Measurements

Imperial units of measure have been used in this MD&A. To convert Imperial measurements to metric equivalents divide by:

Short tons to tonnes	1.10231
Ounces (troy) to kilograms	32.150
Ounces (troy) to grams	0.03215
Ounces (troy) / short ton to grams/tonne	0.02917
Acres to hectares	2.47105
Miles to kilometres	0.62137
Feet to meters	3.28084

Change in accounting policy

During the year ended August 31, 2007, the Company changed its accounting policy for mineral property exploration expenditures. In prior years, the Company capitalized the acquisition cost of mineral properties and deferred exploration expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, property exploration expenditures incurred prior to the determination of economic 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.

The impact of this change was to decrease mineral properties and increase the deficit by $198,466 for the year ended August 31, 2004 and to decrease mineral properties by $361,249, increase the deficit by $198,466 and increase the loss by $162,783 or $0.01 per share for the year ended August 31, 2005; and to decrease mineral properties by $450,965, increase the deficit by $361,249 and increase the loss by $89,716 for the year ended August 31, 2006. The total effect of this change in accounting policy was to decrease mineral properties and increase the deficit by $450,965 as at August 31, 2006.

Results of Operations for the year ended August 31, 2007, 2006 and 2005

The Company incurred a net loss of $3,064,083 for the year ended August 31, 2007 (August 31, 2006 - $1,815,340; August 31, 2005 - $2,100,705).

Expenses for the year ending August 31, 2007 were $3,551,446 (August 31, 2006 - $2,277,928; August 31, 2005 - $2,252,651). When comparing the expenses on a cash basis by eliminating the non-cash charges for amortization and stock based compensation expense, the cash expenses for the same years are $1,932,678 (August 31, 2006 - $1,527,576; August 31, 2005 - $1,330,254). The increase for the year ended August 31, 2007 was 27% higher than the year ended August 31, 2006 and 45% higher than the year ended August 31, 2005.

Significant differences between the years follows:

Investor relation and travel and business promotion combined to $365,134 for the year ended August 31, 2007 (August 31, 2006 - $244,757; August 31, 2005 - $241,026). The Company conducted an aggressive market awareness campaign that included attendance at investor conferences in North America and Europe, a complete update of the Company's web site, display booth graphics and most importantly the hiring of a full time investor relations liaison with the investment community.

Consulting fees and wages and benefits combined to $757,706 for the year ending August 31, 2007 (August 31, 2006 - $456,486; August 31, 2005 - $335,256). The Company has retained more consultants and hired more employees based in our exploration office in Elko, Nevada. Some of the personnel were originally hired as consultants before being hired permanently as employees. The Company has increased its technical team and will continue to add staff and expand its administrative services as it continues to grow the size of the Company's asset base of mineral exploration properties. Golden Oak Corporate Services Ltd. ("Golden Oak") was retained on February 1, 2006 to provide bookkeeping and financial reporting services and then on June 1, 2006 with the resignation of Aileen Lloyd added corporate secretarial and regulatory compliance services to the contract. Doris Meyer, owner President of Golden Oak, was appointed Chief Financial Officer and Corporate Secretary of the Company. Golden Oak was paid consulting fees of $76,500 for the fiscal year ending August 31, 2007 (August 31, 2006 - $38,500; August 31, 2005 - $nil).

Management fees for the year ending August 31, 2007 were $42,500 (August 31, 2006 - $104,494; August 31, 2005 - $76,100). The fees for the 2006 fiscal year include a payment of $32,994 to a company controlled by a common director, for services related to helping arrange the sale of investment stock held for sale by the Company.

Office rent, telephone, secretarial and sundry costs was the next most significant cost for the year ended August 31, 2007 was $148,586 (August 31, 2006 - $237,555; August 31, 2005 - $190,971). Fees paid to a company controlled by a director for rent, telephone, secretarial, website, internet and office services included in this total were $10,000 for the year ended August 31, 2007 (August 31, 2006 - $127,700; August 31, 2005 - $84,374) and reimbursements paid to Golden Oak for out-of-pocket office supplies, expenses, telephone and couriers for the year ended August 31, 2007 were $9,216. For the fiscal year ended August 31, 2006 the Company shared office space and personnel for the Vancouver office. The remainder is the cost of opening and operating the Elko, Nevada exploration office.

Property exploration costs in the year ended August 31, 2007 were $397,678 were net of recoveries from funding partners of $402,442 (August 31, 2006 $300,730 net of $90,678; August 31, 2005 $361,224 net of $9,141). In keeping with the Company's change in accounting policy exploration costs will be expensed until such time as an economic reserve has been defined on the mineral property and a decision to proceed with development has been made. The Company acts as a service contractor to some of the Company's funding partners on certain properties for which it is paid a management fee.

In the year ended August 31, 2007 the Company received mineral property option payments totaling $335,771 (August 31, 2006 - $226,663; August 31, 2005 - $189,237). In accordance with the Company's accounting policy, option payments received are first credited to the individual project's mineral property costs before any remaining portion is recognized as revenue. In the year ended August 31, 2007 the Company recognized $168,331 as mineral property option payments received in excess of cost (August 31, 2006 - $103,722; August 31, 2005 - $128,483).

In fiscal year 2006 the Company received net proceeds of $329,938 from the sale of 8,250,000 common shares of Gulf Coast Oil and Gas ("GCOG" - formerly Otish Mountain Diamond Company).

In fiscal year 2006 the Company was unsuccessful in finding partners to joint venture and fund the exploration costs of the Sampson and Troy projects and the Company wrote off $46,499 of mineral property costs and $4,693 of computer equipment no longer being shared by the Company.

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

The consolidated financial statements show all acquisition to date and readers should refer to the notes to the financial statements for details regarding all the joint venture agreements for each of the Company's properties.

Selected Annual Information

	Fiscal Year Ended August 31 2007 audited	**Fiscal Year Ended August 31 2006 Audited** (restated Note 3)	**Fiscal Year Ended August 31 2005 Audited** (restated Note 3)
Income Statement			
Revenue	$ 487,363	$ 272,262	$ 176,451
Net loss	(3,064,083)	(1,815,340)	(2,100,705)
Net loss per share	(0.08)	(0.05)	(0.08)
Balance Sheet			
Total assets	$8,345,269	$6,976,088	$3,861,750
Long term debt	nil	nil	nil
Dividends	nil	nil	nil

Summary of Quarterly Results

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

	August 31 2007 $	**May 31 2007 $**	**Feb 28 2007 $**	**Nov 30 2006 $**	**Aug 31 2006 $**	**May 31 2006 $**	**Feb 28 2006 $**	**Nov 30 2005 $**
Revenue	283,212	80,175	57,304	66,672	170,076	53,593	27,938	20,655
Loss for the period	(701,667)	(1,063,642)	(704,012)	(594,762)	(470,339)	(846,191)	(285,602)	(213,208)
Basic and diluted loss per share	(0.02)	(0.03)	(0.02)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)

The effect of the change in accounting policy to expense all exploration expenses instead of capitalizing them was taken in the fourth quarter of fiscal year 2006 and 2007 and the first three quarters of each fiscal year has not been restated.

The Company is an exploration company. At this time any issues of seasonality or market fluctuations have no impact. The Company currently defers its mineral property costs. The Company expenses its exploration and project investigation and general and administration costs and these amounts are included in the net loss for each quarter. The Company's treasury determines the levels of exploration.

Liquidity and Capital Resources

The Company'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.

The Company 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 seeks a joint venture partner to fund the exploration of the project to earn an interest. In some agreements the Company receives cash option payments as a portion of the joint venture partner's cost to earn an interest.

The Company has no revenue from mining to date and does not anticipate mining revenues in the foreseeable future. The operations of the Company consist of the exploration and evaluation of mining properties and as such the Company's financial success will be dependent on the extent to which it can discover new mineral deposits. The Company anticipates seeking additional equity investment from time to time to fund its activities that cannot be funded through other means.

The Company began the 2007 fiscal year with cash and cash equivalents of $6,449,367. In the year ended August 31, 2007 the Company expended $1,744,653 to operating activities and received $2,598 from investing activities and $2,773,838 from financing activities to end the year on August 31, 2007 with $7,481,150 in cash and cash equivalents.

Included in investing activities, the Company received $130,514 in option payments from exploration funding partners, and expended $127,916 cash on equipment and mineral property costs on its projects for a net cash recovery of $2,598. Exploration funding partner expenditures on the Company's projects are not reported in the Company's accounts. In addition on January 15, 2007 the Company received 250,000 common shares of Romarco Minerals Inc. at a fair value of $55,000 in connection with the Red Canyon Property funding agreement. On January 23, 2007 the Company issued 11,250 common share purchase warrants at an exercise price of $0.50 with a two year term at a fair value of $17,575 in connection with the Redlich Property option to purchase agreement. In the period the Company was also delivered 200,000 common shares of White Bear pursuant to the Iron Point and Angel Wings funding agreement that, as White Bear is a private company, the Company has not assigned a value to these shares.

Financing activities in fiscal year 2007 raised a total of $2,773,838 cash proceeds from the exercise of stock options and share purchase warrants.

Subsequent to year end, 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 on the same terms as a finder's fee. If at any time following February 5, 2008 the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange for 10 consecutive trading days is at least $2.10 per common share, the warrants will terminate at the close of business on the 30th trading day following the date on which the Company gives notice to the warrant holder of such fact and early termination.

At December 14, 2007 the Company had 4,736,000 outstanding share purchase warrants which if all are exercised will raise $3.5 million. In addition the Company has 5,718,750 outstanding stock options that as they vest, and depending on the Company's share price, would be expected to be exercised and would contribute additional cash to the treasury.

The Company's cash and cash equivalents position at August 31, 2007 was $7,481,150 compared to $6,449,367 at August 31, 2006.

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

Transactions with Related Parties

The Company incurred charges with directors and officers of the Company and companies with common directors and officers as follows:

		Year ended August 31, 2007	Year ended August 31, 2006	Year ended August 31, 2005
Senate Capital Group Inc. – a company controlled by Dennis Higgs	Office rent, telephone, secretarial and office services	$10,000	$127,700	$84,374
Ubex Capital Inc. – a company controlled by Dennis Higgs	Management Fees	$42,500	$71,500	$76,100
	Commission on sale of GCOG shares	-	$32,994	-
Golden Oak Corporate Services Ltd. – a company owned by Doris Meyer	Consulting fees – bookkeeping, accounting, financial reporting services	$76,500	$38,500	-
	Out-of-pocket reimbursement for Miranda share of office supplies and expenses, telephone, postage and courier	$9,216	$1,263	-

These transactions are in the normal course of business and are measured at the exchange amount being the amount of consideration established and agreed to by the related parties. All contracts may be terminated on 90 days notice by either party.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration costs are described Schedule 1 to the annual audited financial statements for the year ended August 31, 2007.

Fourth quarter

The Company began the fourth quarter with $7,991,448 cash and cash equivalents. During the fourth quarter the Company received $32,125 proceeds pursuant to the exercise share purchase warrants and recovered $2,174 of mineral property costs from the receipt of mineral property option payments. It expended $544,597 in operating costs to end the quarter and the year with $7,481,150.

Outstanding Share Data as at December 14, 2007

Authorized: an unlimited number of common shares without par value.

As at December 14, 2007, issued and outstanding share capital is:

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Stock Options
August 31, 2007	**39,559,760**	**575,000**	**5,718,750**
Private placement and finders' fee	4,713,500	4,713,500	-
Warrants exercised	552,500	(552,500)	-
Balance December 14, 2007	**44,825,760**	**4,736,000**	**5,718,750**

Risks

Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

Disclosure and Internal Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

The Chief Executive Officer and Chief Financial Officer have designed the internal controls over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Corporate Governance

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's quarterly unaudited interim financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, all of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.mirandagold.com.

Approved by the Board of Directors **December 17, 2007**

MIRANDA GOLD
CORP.

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2007 AND 2006
(Stated in Canadian Dollars)

MORGAN & COMPANY
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Miranda Gold Corp.

We have audited the consolidated balance sheets of Miranda Gold Corp. as at August 31, 2007 and 2006, and the consolidated statements of operations and deficit, and cash flows for the years ended August 31, 2007, 2006 and 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2007 and 2006, and the results of its operations and its cash flows for the years ended August 31, 2007, 2006 and 2005, in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada *"Morgan & Company"*

November 19, 2007 Chartered Accountants

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MEMBER OF jhi

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MIRANDA GOLD CORP.

CONSOLIDATED BALANCE SHEETS
(Stated in Canadian Dollars)

	AUGUST 31 **2007**	2006
ASSETS		(restated note 3)
Current		
Cash and cash equivalents	**$ 7,481,150**	$ 6,449,367
Amounts receivable	**292,763**	30,118
Marketable securities (Note 4)	**55,000**	-
Advances and prepaid expenses	**80,888**	64,629
	7,909,801	6,544,114
Equipment (Note 5)	**118,385**	107,280
Mineral properties (Note 6)	**256,773**	324,694
	$ 8,284,959	$ 6,976,088
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 86,797**	$ 89,157
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**18,589,310**	15,528,015
Contributed surplus (Note 7)	**3,001,804**	1,687,785
Deficit	**(13,392,952)**	(10,328,869)
	8,198,162	6,886,931
	$ 8,284,959	$ 6,976,088

Nature of Operations (Note 1)
Commitments (Note 8)
Subsequent Events (Notes 6 and 12)

Approved on behalf of the Board of Directors:

"Kenneth Cunningham"
Director

"G. Ross McDonald"
Director

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Stated in Canadian Dollars)

	YEARS ENDED AUGUST 31		
	2007	2006 (restated Note 3)	2005 (restated Note 3)
Revenue			
Management fees earned	**$ 37,083**	$ 2,092	$ -
Mineral property income	**168,331**	103,722	128,483
Interest	**281,949**	166,448	47,968
	487,363	272,262	176,451
Expenses			
Amortization	**34,867**	34,937	27,597
Consulting	**103,649**	107,473	163,423
Interest and foreign exchange	**54,333**	16,052	10,378
Insurance	**37,122**	40,122	-
Investor relations	**295,833**	104,836	118,940
Office rent, telephone, secretarial, sundry	**148,586**	237,555	190,971
Professional fees	**66,408**	102,758	77,644
Management fees (Note 9)	**42,500**	94,494	76,100
Property exploration costs (Schedule 1)	**397,678**	300,730	361,224
Stock based compensation	**1,583,901**	715,415	894,800
Travel and business promotion	**69,301**	139,921	122,086
Transfer agent and regulatory fees	**63,211**	34,622	37,655
Wages and benefits	**654,057**	349,013	171,833
	3,551,446	2,277,928	2,252,651
Operating loss	**(3,064,083)**	(2,005,666)	(2,076,200)
Gain on sale of investment (Note 4)	**-**	241,938	-
Loss on disposal of equipment	**-**	(420)	-
Write off of equipment	**-**	(4,693)	-
Write off of abandoned mineral properties	**-**	(46,499)	(24,505)
Net loss for the year	**(3,064,083)**	(1,815,340)	(2,100,705)
Deficit, beginning of the year as previously reported	**9,877,904**	8,152,280	6,214,358
Adjustments for change in accounting policy (Note 3)	**450,965**	361,249	198,466
Deficit, as restated	**10,328,869**	8,513,529	6,412,824
Loss for the year	**3,064,083**	1,815,340	2,100,705
Deficit, end of the year	**$ 13,392,952**	$ 10,328,869	$ 8,513,529
Basic and diluted loss per share	**$ (0.08)**	$ (0.05)	$ (0.08)
Weighted average number of shares outstanding	**38,215,329**	33,991,092	25,684,831

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

	YEARS ENDED AUGUST 31		
	2007	**2006**	2005
		(restated Note 3)	(restated Note 3)
Cash provided by (used in):			
Operating activities			
Net loss for year	**$ (3,064,083)**	$ (1,815,340)	$ (2,100,705)
Items not affecting cash:			
Amortization	**34,867**	34,937	27,597
Accrued interest income	**(80,203)**	(9,292)	(25,075)
Stock based compensation	**1,583,901**	715,415	894,800
Loss on sale equipment	**-**	420	-
Write-off of abandoned mineral properties	**-**	46,499	24,505
Write-off of equipment	**-**	4,693	-
Gain on sale of investment	**-**	(241,938)	-
Non cash mineral property income	**(29,399)**	-	-
Change in non-cash working capital items:			
Amounts receivable	**(171,117)**	11,057	1,969
Advances and prepaid expenses	**(16,259)**	32,199	(59,821)
Accounts payable and accrued liabilities	**(2,360)**	(11,549)	53,998
	(1,744,653)	(1,232,899)	(1,182,732)
Investing activities			
Proceeds on sale of investment	**-**	329,938	-
Mineral property option recoveries	**130,514**	122,941	60,754
Proceeds on sale of equipment	**-**	350	-
Equipment purchases	**(45,972)**	(27,475)	(87,928)
Mineral property acquisitions	**(81,944)**	(56,771)	(291,331)
	2,598	368,983	(318,505)
Financing activities			
Issue of share capital	**2,773,838**	4,258,494	3,073,110
Share issue costs	**-**	(48,060)	(80,142)
	2,773,838	4,210,434	2,992,968
Increase in cash and cash equivalents	**1,031,783**	3,346,518	1,491,731
Cash and cash equivalents, beginning of year	**6,449,367**	3,102,849	1,611,118
Cash and cash equivalents, end of year	**$ 7,481,150**	$ 6,449,367	$ 3,102,849
Cash and cash equivalents is comprised of:			
Cash	**$** 481,150	$ 567,952	$ 21,351
Short-term deposits	7,000,000	5,881,415	3,081,498
	$ 7,481,150	$ 6,449,367	$ 3,102,849

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

See notes to consolidated financial statements

MIRANDA GOLD CORP.

SCHEDULE 1
PROPERTY EXPLORATION COSTS
(Stated in Canadian Dollars)

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

See notes to consolidated financial statements

MIRANDA GOLD CORP.

SCHEDULE 1 (continued)
PROPERTY EXPLORATION COSTS
(Stated in Canadian Dollars)

	Year ended August 31, 2006		
	Exploration Expenditures	Recoveries from funding partners	**Net Exploration Expenditures**
Nevada:			
Angel Wings	$ 34,256	$ -	**$ 34,256**
BPV	3,660	-	**3,660**
Coal Canyon	30,835	(34,107)	**(3,272)**
CONO	7,331	-	**7,331**
DAME	51,139	-	**51,139**
ETTU	12,594	-	**12,594**
Fuse	252	(37,107)	**(36,855)**
General exploration	111,422	-	**111,422**
Horse Mountain	9,314	(20,461)	**(11,147)**
Iron Point	77,517	-	**77,517**
PPM	28,840	-	**28,840**
Red Canyon	15,061	-	**15,061**
Red Hill	3,210	-	**3,210**
Redlich	2,926	-	**2,926**
	388,357	(91,675)	**296,682**
Utah:			
Lookout	4,048	-	**4,048**
Property exploration costs	$ 392,405	$ (91,675)	**$ 300,730**

	Year ended August 31, 2005		
	Exploration Expenditures	Recoveries from funding partners	**Net Exploration Expenditures**
Nevada:			
Angel Wings	$ 741	$ -	$ 741
Bald Peak	201	-	201
BPV	833	-	833
Coal Canyon	32,529	-	32,529
CONO	779	-	779
DAME	51,366	-	51,366
ETTU	7,106	-	7,106
Fuse	9,450	-	9,450
General exploration	126,044	-	126,044
Hercules	4,678	-	4,678
Horse Mountain	74,981	-	74,981
Iron Point	19,771	-	19,771
JDW	4,269	-	4,269
Red Canyon	14,753	(6,502)	8,251
Red Hill	1,124	(2,639)	(1,515)
Redlich	6,928	-	6,928
Troy	14,812	-	14,812
Property exploration costs	$ 370,365	$ (9,141)	$ 361,224

See notes to consolidated financial statements

1. NATURE OF OPERATIONS

Miranda Gold Corp. (the "Company") is incorporated in British Columbia, Canada, and is in the business of acquiring and exploring mineral properties in the western United States and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts spent for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise additional funds to continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. To date the Company has not earned significant revenues and is considered a company in the development stage. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

As at August 31, 2007, the Company had an accumulated deficit of $13,392,952 and working capital of $7,823,004.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation and Consolidation

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. They include the accounts of the Company and its wholly owned U.S. subsidiary, Miranda U.S.A., Inc. Its wholly owned Mexican subsidiary, Minas Miranda S.A. de C.V. is dormant.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses for the periods reported. Actual results could differ from these estimates. Significant estimates and assumptions include those related to the recoverability of mineral properties and deferred exploration expenditures, estimated useful lives of capital assets, determination as to whether costs are expensed or deferred, asset retirement obligations and stock based compensation valuations.

c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and 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) Marketable Securities

The Company records marketable securities at cost. The cost of marketable securities is written down to market value when a decline in value is other than temporary.

e) 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%
Furniture and fixtures	20%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Mineral Properties and Related 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. 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. 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.

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.

g) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, marketable securities and accounts payable and accrued liabilities.

It is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

h) 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. No impairment was identified at August 31, 2007.

i) 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)

j) 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, 2007, 2006 and 2005 as outstanding stock options and warrants were all anti-dilutive.

k) Foreign Currency Translation

Transactions recorded in United States dollars have been translated into Canadian dollars using the Temporal Method as follows:

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

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

l) 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.

m) Stock Based Compensation

The Company's Stock Option Plan provides for granting of stock options to directors, officers and employees. 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. Upon exercise of the stock options consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

n) Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

New accounting standards:

Financial Instruments, Comprehensive Income and Hedges

In January 2005, the Canadian Institute of Chartered Accountants issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865 "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. The Company will adopt these new standards effective September 1, 2007.

3. CHANGE IN ACCOUNTING POLICY

During the year ended August 31, 2007, the Company changed its accounting policy for mineral property exploration expenditures. In prior years, the Company capitalized the acquisition cost of mineral properties and deferred exploration expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, 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.

The impact of this change was to decrease mineral properties and increase the deficit by $198,466 for the year ended August 31, 2004 and to decrease mineral properties by $361,249, increase the deficit by $198,466 and increase the loss by $162,783 or $0.01 per share for the year ended August 31, 2005; and to decrease mineral properties by $450,965, increase the deficit by $361,249 and increase the loss by $89,716 for the year ended August 31, 2006. The total effect of this change in accounting policy was to decrease mineral properties and increase the deficit by $450,965 as at August 31, 2006.

4. MARKETABLE SECURITIES

	August 31, 2007	August 31, 2006
250,000 common shares of Golden Aria Corp. (a reporting U.S. company) (August 31, 2006 – 250,000) No value was ascribed to these shares on receipt as there was no basis for determining fair value at that time. The fair value at August 31, 2007 was $52,810.	**$ -**	$ -
250,000 common shares of Romarco Minerals Inc. (a TSX.V listed company) received in fiscal year 2007. The fair value at August 31, 2007 was $62,500.	**55,000**	-
200,000 common shares of White Bear Resources Inc. (a private Canadian company) received in fiscal year 2007. No value was ascribed to these shares on receipt or at August 31, 2007 as there is no basis for determining fair value.	**-**	-
	$ 55,000	$ -

The Company sold all of its common shares of Gulf Coast Oil & Gas (formerly Otish Mountain Diamond Company) in fiscal year 2006.

5. EQUIPMENT

	August 31, 2007			August 31, 2006
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Computer equipment	**$ 83,074**	**$ (35,555)**	**$ 47,519**	$ 22,057
Furniture and fixtures	**13,035**	**(5,243)**	**7,792**	7,301
Field equipment	**129,405**	**(66,331)**	**63,074**	77,922
	$ 225,514	**$ (107,129)**	**$ 118,385**	$ 107,280

6. MINERAL PROPERTIES

note		August 31, 2006	Additions	Recoveries	August 31, 2007
	Nevada:				
a	Redlich	**$ -**	$ 26,100	$ (26,100)	**$ -**
b	Red Canyon	**33,488**	-	(33,488)	**-**
c	BPV	**-**	11,325	-	**11,325**
c	CONO	**-**	11,325	-	**11,325**
d	Coal Canyon	**-**	11,325	-	**11,325**
e	Red Hill	**-**	-	-	**-**
f	Fuse	**28,015**	-	(28,015)	**-**
g	ETTU	**25,925**	-	-	**25,925**
h	Horse Mountain	**12,855**	-	(12,855)	**-**
i	DAME	**72,584**	-	-	**72,584**
j	Iron Point	**86,095**	-	(22,540)	**63,555**
k	Angel Wings	**55,264**	39,444	(33,974)	**60,734**
l	PPM	**10,468**	-	(10,468)	**-**
	Utah:				
m	Lookout	**-**	-	-	**-**
	Mineral properties	**$ 324,694**	$ 99,519	$ (167,440)	**$ 256,773**

note		August 31, 2005	Additions	Recoveries	Write off of interest	August 31, 2006
	Nevada:					
a	Redlich	**$ -**	$ 20,617	$ (20,617)	$ -	**$ -**
b	Red Canyon	**33,488**	-	-	-	**33,488**
c	BPV	**8,611**	-	(8,611)	-	**-**
c	CONO	**8,611**	-	(8,611)	-	**-**
d	Coal Canyon	**-**	-	-	-	**-**
e	Red Hill	**7,526**	6,921	(14,447)	-	**-**
f	Fuse	**63,342**	-	(35,327)	-	**28,015**
g	ETTU	**25,925**	-	-	-	**25,925**
h	Horse Mountain	**48,183**	-	(35,328)	-	**12,855**
i	DAME	**72,584**	-	-	-	**72,584**
j	Iron Point	**66,806**	19,289	-	-	**86,095**
k	Angel Wings	**42,140**	13,124	-	**-**	**55,264**
l	PPM	**-**	10,468	-	-	**10,468**
	JDW	**21,717**	-	-	(21,717)	**-**
	Sampson	**-**	1,730	-	(1,730)	**-**
	Troy	**23,052**	-	-	(23,052)	**-**
	Utah:					
m	Lookout	**-**	-	-	-	**-**
	Mineral properties	**$ 421,985**	$ 72,149	$ (122,941)	$ (46,499)	**$ 324,694**

6. MINERAL PROPERTIES (continued)

a) Redlich Property, Esmeralda County, Nevada

On January 23, 2003 (amended April 9, 2003, May 28, 2003 and December 9, 2003) the Company entered into an option agreement to acquire the Redlich property on completion of the following payment schedule. The owner retained a 3% Net Smelter Return (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.

Option Due Dates	Cash consideration to be paid to Optionor US$	Two year share purchase warrants to be issued to Optionor	Exploration Expenditures US$
Prior to August 31, 2005 (paid, issued and incurred)	9,750	30,000 @ Cdn$0.40	22,500
January 23, 2006 (paid, issued and incurred)	4,500	11,250 @ Cdn$0.45	22,500
January 23, 2007 (paid, issued and incurred)	7,500	11,250 @ Cdn$0.50	22,500
January 23, 2008	11,250	15,000 @ Cdn$0.55	30,000
Total consideration	**33,000**	**67,500**	**97,500**

On March 4, 2004 the Company entered into an exploration agreement with an option to form a joint venture with Newcrest Resources Inc. (“Newcrest”). Newcrest will earn a 65% interest in the Redlich Property by paying the Company US$165,000 and completing work commitments of US$575,000, payable in stages to January 23, 2008, with a minimum work commitment of US$200,000 per year thereafter until US$1.8 million has been expended by 2012. A joint venture will be formed upon completion of the earn-in commitments and on completion of a pre-feasibility study. An additional 10% interest can be earned by completing a positive feasibility study, and up to an 80% interest, at the Company’s election, by providing half of the Company’s portion of the development costs.

Option Due Dates	Cash consideration to be paid to the Company US$	Exploration Expenditures US$
Prior to August 31, 2005 (received and incurred)	75,000	75,000
January 23, 2006 (incurred)	-	150,000
March 4, 2006 (received)	30,000	-
January 23, 2007 (incurred)	-	150,000
March 4, 2007 (received)	30,000	-
January 23, 2008	-	200,000
March 4, 2008	30,000	-
Total	**165,000**	**575,000**

6. MINERAL PROPERTIES (continued)

b) 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 Net Smelter Return (NSR) royalty of 3% if the price of gold is below US$300 per ounce; 4% if the price of gold is between US$300 and US$400 per ounce; and 5% if the price of gold is over US$400 per ounce. 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 Optionor US$	Two year share purchase warrants to be issued to Optionor
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 subsequently)	50,000	-
November 18, 2008	50,000	-
November 18, 2009 to 2012 at $75,000 per year	300,000	-
November 18, 2013 to 2023 at $100,000 per year (subject to inflation adjustment beginning in 2019)	1,100,000	-
Total consideration	**1,600,000**	75,000

On October 13, 2004, the Company entered into an exploration agreement with an option to form a joint venture with Newmont Mining Corporation ("Newmont"). Newmont paid the Company US$30,000 at the time of signing the agreement and Newmont incurred US$454,603 in exploration expenditures prior to terminating the option on April 10, 2006.

On July 12, 2006 the Company entered into a letter agreement with Romarco Minerals Inc. ("Romarco"). A definitive agreement was signed October 12, 2006. Romarco may earn a 60% joint venture interest by completing the following project work and underlying property lease and maintenance expenditures and by having delivering 250,000 common shares of Romarco (received January 15, 2007). The Romarco common shares received had a fair value of $55,000. On July 20, 2007 Romarco and the Company amended the agreement so that Romarco is obligated to drill 6,000 feet on the property by December 31, 2007, subject to permitting and drill rig availability, and in no event later than July 12, 2008, and is obligated to pay the underlying lease payment due November 18, 2007 and the claim holding fees.

Romarco may earn an additional 10% interest in the project (for a total of 70% interest) by the completion of a bankable feasibility study within 5 years from its initial earn-in on the Red Canyon project, subject to minimum expenditures of US$1,000,000 per year for the first two years and US$2,000,000 or more for the remaining three years. If Romarco does not elect to complete a feasibility study, then to retain its interest and earn an additional 10% interest, Romarco shall expend a minimum of US$1,000,000 each year until it has incurred additional expenditures in the cumulative amount of US$20,000,000 upon completion of which Romarco's interest will be 70% and the Company's 30%. If Romarco does not expend the required US$1,000,000 annually it shall be deemed to have elected to withdraw from the joint venture, the joint venture will be terminated and the property shall revert to the Company without Romarco retaining any interest. Romarco's expenditures include payment of the underlying option payments as they become due.

6. MINERAL PROPERTIES (continued)

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

Option Due Dates	**Stock consideration delivered to the Company**	**Exploration Expenditures US$**
December 31, 2007 – obligation to drill 6,000 feet	250,000 shares of Romarco	400,000
July 12, 2008		500,000
July 12, 2009		600,000
July 12, 2010		750,000
July 12, 2011		750,000
Total		**3,000,000**

c) BPV & CONO Properties, Eureka County, Nevada

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

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

On February 4, 2005 the Company entered into an exploration agreement with an option to form a joint venture with Agnico-Eagle (USA) Ltd (“Agnico”). Agnico could have earned a 60% interest in the BPV and CONO properties on paying the Company a total of US$355,000 (US$55,000 received) and on expending US$1,500,000 (incurred at least US$50,000) within five years. Agnico terminated the option effective November 30, 2006 and the Company will seek a new funding partner.

6. MINERAL PROPERTIES (continued)

d) Coal Canyon Property, Eureka County, Nevada

On May 27, 2004, the Company entered into a 20-year mining lease for the Coal Canyon 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 Optionor US$**
Prior to August 31, 2005 (paid)	12,500
May 27, 2006 (paid)	6,250
May 27, 2007 (paid)	10,000
May 27, 2008	10,000
May 27, 2009	12,500
May 27, 2010	15,000
May 27, 2011 and 2012 - $30,000 each year	60,000
May 27, 2013 and 2014 - $40,000 each year	80,000
May 27, 2015 $50,000 and each year thereafter to be adjusted for inflation	500,000
Total	**706,250**

On April 6, 2005 (amended April 8, 2005) the Company entered into an exploration agreement with an option to form a joint venture with Golden Aria Corp. ("Golden Aria"). Golden Aria could have earned a 60% interest in the Coal Canyon Property by paying the Company a total US$200,000 (US$40,000 received), delivering 250,000 common shares of Golden Aria (received) and by expending US$1,000,000 (incurred at least US$150,000) within five years. Golden Aria terminated the option effective March 23, 2007 and the Company will seek a new funding partner.

e) 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	20,000
May 27, 2009	25,000
May 27, 2010	30,000
May 27, 2011 and 2012 - $40,000 each year	80,000
May 27, 2013 and 2014 - $50,000 each year	100,000
May 27, 2015 $60,000 and each year thereafter to be adjusted for inflation	600,000
Total	**906,250**

6. MINERAL PROPERTIES (continued)

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

On October 27, 2004 (amended November 17, 2005 and April 25, 2006) the Company entered into an exploration agreement with an option to form a joint venture with Barrick Gold Corporation (formerly Placer Dome US Inc) ("Barrick"). Barrick will earn a 60% joint venture interest in the Red Hill Property on completion of the following payments to the Company and expenditures on the property. Thereafter, Barrick can earn an additional 10% interest by completing a bankable feasibility study within five years or by spending US$15,000,000 over a ten year period. The joint venture will be formed upon completion of the earn-in period. After completion of the feasibility study, the Company can request that Barrick arrange the Company's share of project financing, in which case Barrick will earn an additional 5% interest (for a total 75% interest) in the project, and will recover the Company's share of this financing from 60% of the Company's share of net cash flow from operations on the property. Barrick's expenditures include payment of half of the underlying lease payments as they become due.

Option Due Dates	**Cash consideration to be paid to the Company US$**	**Exploration Expenditures US$**
Prior to August 31, 2005 (received)	40,000	-
October 27, 2005 (received/incurred)	25,000	100,000
October 27, 2006 (received/incurred)	25,000	87,500
October 27, 2007(received subsequently/incurred)	100,000	250,000
October 27, 2008	150,000	325,000
October 27, 2009	200,000	1,237,500
Total	**540,000**	**2,000,000**

f) Fuse Property, Eureka County, Nevada

During the year ended August 31, 2004 the Company staked the Fuse East and Fuse West claim group. On September 28 and November 15, 2005 (amended April 25, 2006), the Company entered into exploration agreements with an option to form a joint venture with Barrick.

Barrick can earn a 60% interest in the Fuse East and Fuse West Properties on completion of the following payments to the Company and expenditures on the properties. An additional 10% interest can be earned by completing a feasibility study within three years of earning the 60% interest and incurring annual work expenditures of US$247,500 and US$22,500 respectively for each property. An additional 5% can be earned by arranging financing for the Company's share of mine development. The joint venture will be formed upon completion of the earn-in period. The option agreement has a minimum duration of two years and a minimum expenditure level within the two years.

6. MINERAL PROPERTIES (continued)

f) Fuse Property, Eureka County, Nevada (continued)

Option Due Dates	Cash consideration to be paid to the Company US$	Exploration Expenditures US$	Cash consideration to be paid to the Company US$	Exploration Expenditures US$
	Fuse East		Fuse West	
Prior to August 31, 2005	30,000	-	3,000	-
September 28, 2006 (received)	27,000	-	-	-
November 15, 2006 (received)	-	-	3,000	-
September 28, 2007 (received)	36,000	175,000	-	-
November 15, 2007 (received)	-	-	4,000	-
September 28, 2008	45,000	200,000	-	-
November 15, 2008	-	-	5,000	-
September 28, 2009	45,000	402,500	-	-
November 15, 2009	-	-	5,000	-
September 28, 2010	67,500	1,000,000	-	-
November 15, 2010	-	-	7,500	197,500
Total consideration	**250,500**	**1,777,500**	**27,500**	**197,500**

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.

h) Horse Mountain Property, Lander County, Nevada

On November 23, 2004, the Company entered into a 20-year mining lease for the Horse Mountain claims for the following consideration. The Lessor retained a NSR royalty of 3.5%.

Mining Lease Due Dates	Minimum Advance Royalties payable to Lessor US$	Two year share purchase warrants to be issued to Lessor	Minimum linear feet of drilling
Prior to August 31, 2005 (paid and issued)	30,000	25,000 @ Cdn$0.70	
November 23, 2005 (paid)	30,000	-	
November 23, 2006 (paid and met)	30,000	-	3,000 feet
November 23, 2007 (paid and met)	40,000	-	1,500 feet
November 23, 2008	40,000	-	1,500 feet
November 23, 2009 and 2010 $50,000 each year	100,000	-	1,500 feet
November 23, 2011	70,000	-	
November 23, 2012	80,000	-	
November 23, 2013 and each year thereafter adjusted for inflation	1,200,000	-	
Total consideration	**1,620,000**	**25,000**	

6. MINERAL PROPERTIES (continued)

h) Horse Mountain Property, Lander County, Nevada (continued)

On September 2, 2005 the Company entered into an exploration agreement with an option to form a joint venture with Barrick. On June 27, 2007 Barrick terminated the option after having paid US$60,000 to the Company and having expended US$873,000 in exploration expenditures thereby exceeding its requirements. Barrick is obligated to pay the annual Bureau of Land Management fees on this property due prior to September 2007 (paid). The Company will seek a new funding partner for this project.

i) 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.

j) Iron Point Property, Humboldt County, Nevada

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

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

Mining Lease Due dates	**Minimum advance royalty payments to Lessor US$**
Prior to August 31, 2005 (paid)	7,000
June 3, 2006 (paid)	10,000
June 3, 2007 (paid)	10,000
June 3, 2008	15,000
June 3, 2009	20,000
June 3, 2010 $25,000 and each year thereafter	400,000
Total	**462,000**

On November 22, 2006 the Company signed an exploration agreement with option to form joint venture with White Bear Resources, Inc. ("White Bear") whereby White Bear may earn a 60% interest by paying the Company US$20,000, issuing the Company 100,000 common shares (received) of White Bear and by expending US$2,500,000 over five years. White Bear may then elect to earn an additional 10% interest by funding a bankable feasibility study or by expending an additional US$10,000,000. White Bear is a private company and the Company has not assigned a fair value to the White Bear common shares received. White Bear must issue the Company another 100,000 common shares by January 15, 2008.

7. MINERAL PROPERTIES (continued)

j) Iron Point Property, Humboldt County, Nevada (continued)

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

k) Angel Wings Property, Elko County, Nevada

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

On October 27, 2005 the Company entered into a 20 year mining lease for 30 mining claims with a private party with a sliding 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 NSR for US$1,000,000 per percentage point. However, the NSR shall never drop below 1% regardless of the price of gold.

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

On May 15, 2007 the Company signed an exploration agreement with option to joint venture with White Bear whereby White Bear may earn a 60% interest by paying the Company US$30,000, by issuing the Company 100,000 common shares (received) of White Bear and by expending US$2,000,000 over five years. White Bear may then elect to earn an additional 10% interest by funding a bankable feasibility study or by expending an additional US$10,000,000. White Bear may then elect to earn an additional 10% interest by completing financial and work milestones. White Bear is a private company and the Company has not assigned a fair value to the White Bear common shares received.

6. MINERAL PROPERTIES (continued)

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

Option Due Dates	Cash consideration to be paid to the Company US$	Exploration Expenditures US$
May 15, 2007 (received)	30,000	-
May 15, 2008 (obligation)	-	300,000
May 15, 2009	-	300,000
May 15, 2010	-	400,000
May 15, 2011	-	500,000
May 15, 2012	-	500,000
Total	**30,000**	**2,000,000**

l) PPM, Humboldt County, Nevada

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

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

Piedmont will earn a 55% joint venture interest in the property by paying the Company US$25,000 before May 17, 2007 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. 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.

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

m) Lookout Property, Tooele County, Utah

During the year ended August 31, 2006, the Company staked certain mining claims in Tooele County, Utah.

7. SHARE CAPITAL

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

b) Issued and Outstanding

	Number of Shares	Share Capital	Contributed Surplus
Outstanding, August 31, 2005	28,768,760	$ 10,493,824	$ 1,780,749
Private placement of shares (net of $102,060 issue costs) [(1)]	2,060,000	1,751,940	-
Exercise of options	2,348,500	2,013,614	(788,770)
Exercise of warrants	3,089,250	1,268,637	(34,987)
Fair value vested stock options granted	-	-	715,415
Fair value share purchase warrants issued for properties	-	-	15,378
Outstanding, August 31, 2006	36,266,510	15,528,015	1,687,785
Exercise of options	798,750	689,570	(275,157)
Exercise of warrants	2,494,500	2,371,725	(12,300)
Fair value vested stock options granted	-	-	1,583,901
Fair value share purchase warrants issued for properties	-	-	17,575
Outstanding, August 31, 2007	**39,559,760**	**$ 18,589,310**	**$ 3,001,804**

(1) During the fiscal year ended August 31, 2006 the Company completed a non-brokered private placement of 2,000,000 units at a price of $0.90 per unit, for gross proceeds of $1,800,000. Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant is exercisable to purchase an additional common share at $1.15 per share until October 4, 2007. In addition a cash payment of $48,060 was made and an additional 60,000 units, valued at $54,000, were issued as finder's fees pursuant to the private placement.

c) Stock Options Outstanding

As at August 31, 2007, stock options were outstanding for the purchase of common shares as follows:

Number of shares	Price per share	Exercisable	Expiry Date
55,000	$0.27	55,000	June 18, 2008
465,000	$0.53	465,000	February 9, 2009
973,750	$0.71	973,750	February 17, 2010
80,000	$1.18	80,000	October 18, 2010
125,000	$2.07	125,000	February 1, 2011
50,000	$1.70	37,500	May 31, 2011
1,900,000	$1.92	1,425,000	April 17, 2011
200,000	$1.64	150,000	August 8, 2011
1,870,000	$1.54	467,500	March 28, 2012
5,718,750		3,778,750	

7. SHARE CAPITAL (continued)

c) Stock Options Outstanding (continued)

A summary of the changes in stock options for the previous two years ended August 31 is presented below:

	Shares	**Weighted Average Exercise Price**
Outstanding, August 31, 2005	4,626,000	$0.60
Granted	2,495,000	$1.87
Exercised	(2,348,500)	$0.52
Outstanding, August 31, 2006	4,772,500	$1.26
Granted	1,870,000	$1.54
Exercised	(798,750)	$0.52
Cancelled	(125,000)	$1.92
Outstanding, August 31, 2007	5,718,750	$1.44

d) Stock Based Compensation

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of not more than 7,307,052 options to acquire common shares to its directors, officers, employees and consultants. Options granted vest as to 25% immediately and 25% each six months thereafter. During the year ended August 31, 2007, the Company recorded $1,583,901 in stock based compensation for options vested during the year (2006 - $715,415).

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2007	2006
Risk free interest rate	**4.12%**	4.05%
Expected life	**3 years**	3 years
Expected volatility	**65%**	84%
Expected dividend yield	**0%**	0%
Weighted average of fair value of options granted	**$0.71**	$1.06

e) Share Purchase Warrants

As at August 31, 2007, share purchase warrants were outstanding for the purchase of common shares as follows:

Number of Shares	**Price per Share**	**Expiry Date**
552,500	$ 1.15	October 4, 2007
11,250	$ 0.45	January 23, 2008
11,250	$ 0.50	January 23, 2009
575,000		

7. SHARE CAPITAL (continued)

e) Share Purchase Warrants (continued)

A summary of the changes in share purchase warrants for the previous two years ended August 31 is presented below:

	Shares	Weighted Average Exercise Price
Outstanding, August 31, 2005	5,331,250	$0.60
Issued	1,041,250	$1.14
Exercised	(3,089,250)	$0.40
Expired	(125,000)	$0.82
Outstanding, August 31, 2006	3,158,250	$0.98
Issued	11,250	$0.50
Exercised	(2,494,500)	$0.95
Expired	(100,000)	$0.90
Outstanding, August 31, 2007	575,000	$1.12

8. COMMITMENTS

As at August 31, 2007, the Company has no significant commitments with any parties other than disclosed in note 6.

9. RELATED PARTY TRANSACTIONS

a) During the year ended August 31, 2007, the Company paid $42,500 (2006 - $71,500; 2005 - $76,100) to a company controlled by a common director for management of the Company's affairs. During the fiscal year ended 2006 the Company paid an additional $32,994 (2005 - $nil) for services related to helping arrange for the sale of investment stock held for sale by the Company.

b) During the year ended August 31, 2007, the Company paid $19,216 (2006 - $127,700; 2005 - $84,374) to directors or companies controlled by common officers or directors for rent, telephone, secretarial, website, internet and office services.

c) During the year ended August 31, 2007, the Company paid $76,500 (2006 - $38,500; 2005 - $nil) to a company controlled by a common officer pursuant to a contract for professional fees.

d) During the year ended August 31, 2007, the Company paid $20,172 in director fees to independent directors.

e) At August 31, 2007 an amount of $2,894 and US$1,196 for expenses owed to officers are included in accounts payable and accrued liabilities (August 31, 2006 $6,444) and US$3,000 is accrued for director fees owed to two independent directors at August 31, 2007. These amounts were settled in ordinary course of business shortly after the year end.

f) A director and officer of the Company holds a 10% interest in the properties described in Note 6(c) (d) and (e).

10. INCOME TAXES

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

10. INCOME TAXES (continued)

	2007	2006
Combined statutory tax rate	**34%**	34%
Computed tax recovery	**$ (1,050,000)**	$ (621,000)
Changes in temporary differences	**(25,000)**	49,000
Unrecognized items for tax purposes	**538,000**	202,000
Benefit resulting from reductions in tax rates	**-**	30,000
Benefit of income tax losses not recognized	**537,000**	340,000
	$ -	$ -

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

	2007	2006
Capital assets	**$ 36,000**	$ 24,000
Exploration and development deductions	**409,000**	436,000
Non-capital losses carried forward	**1,762,000**	1,443,000
Other temporary differences	**21,000**	30,000
	2,228,000	1,933,000
Valuation allowance	**(2,228,000)**	(1,933,000)
	$ -	$ -

As at August 31, 2007 the Company has available losses for income tax purposes in Canada of approximately $2,862,000 and in the USA of approximately $2,443,000 which may be carried forward and applied against future taxable income when earned.

These losses expire as follows:

	CANADA	**USA**
	CDN$	US$
2008	168,000	-
2009	279,000	-
2010	464,000	-
2014	813,000	-
2015	183,000	-
2016	500,000	
2017	509,000	
2025	-	1,081,000
2026	-	573,000
2027	-	1,042,000
	2,916,000	2,696,000

Canadian and foreign exploration resource deductions may be used against certain taxable income without expiry provided there has been no change in the control of the Company. As at August 31, 2007, the available resource deductions amounted to approximately $903,000. USA exploration resource deductions are amortized over a 10 year period. As at August 31, 2007, the available resource deductions amounted to approximately $547,000.

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

During the year ended August 31, 2007, the Company issued 11,250 share purchase warrants with a fair value of $17,575 pursuant to the mineral property option agreement described in note 6 (a).

During the year ended August 31, 2007, the Company received 200,000 common shares of Romarco Minerals Inc. at a fair value of $55,000 pursuant to the mineral property exploration agreement described in note 6 (b).

During the year ended August 31, 2006, the Company issued 11,250 share purchase warrants with a fair value of $15,378 pursuant to the mineral property option agreement described in note 6 (a).

During the year ended August 31, 2006, the Company issued 60,000 share purchase warrants as finder's fees with a value of $54,000 pursuant to a private placement described in note 7 (b)(1).

12. SUBSEQUENT EVENTS

Subsequent to August 31, 2007 the Company:

(a) Issued 552,500 common shares pursuant to the exercise of share purchase warrants for gross proceeds of $635,375.

(b) 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 on the same terms as a finder's fee. If at any time following February 5, 2008 the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange for 10 consecutive trading days is at least $2.10 per common share, the warrants will terminate at the close of business on the 30th trading day following the date on which the Company gives notice to the warrant holder of such fact and early termination.

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

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). With the change of accounting policy described in Note 3 there are no material differences in the Company's financial statements from those principles that the Company would have followed had its financial statements been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

1) Other Comprehensive Income

US GAAP requires the disclosure, as other comprehensive income, of changes in the fair value of marketable securities throughout a period. Canadian GAAP does not require similar disclosure. Had the Company applied US GAAP, marketable securities and other comprehensive income would have risen by $60,310 to record the increase in the fair value of marketable securities held by the Company during the year.

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

2) Cumulative Since Inception Disclosure

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

3) Recent United States Financial Accounting Standards:

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FASB Statement No. 157, *Fair Value Measurements.* This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. The Company does not expect a significant impact on the consolidated financial statements.

In September 2006, FASB issued SFAS No. 157, *Fair Value Measurements*. This standard provides guidance for using fair value to measure assets and liabilities. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. The standard clarifies that for items that are not actively traded, fair value should reflect the price in a transaction with a markets participant, including an adjustment for risk. Under SFAS No. 157, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market which the reporting entity transacts. This Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier application is encouraged, provided that the reporting entity has not yet issued financial statements for that fiscal year, including financial statements for an interim period within that fiscal year. The Company expects to adopt SFAS No. 157 on September 1, 2007 and the Company does not expect a significant impact on the consolidated financial statements.

In June 2006, the FASB issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes", which clarifies the accounting for uncertainties in income taxes recognized in accordance with SFAS 109, "Accounting for Income Taxes". The interpretation is effective for fiscal years beginning on or after December 15, 2006. The Company adopted this interpretation on January 1, 2007, and concluded there was no material impact of the adoption on its consolidated financial statements. The Company has open tax years from 2006 with taxation authorities