

**MIRANDA GOLD CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FEBRUARY 28, 2005**  
**(Unaudited)**

*These unaudited consolidated financial statements for the period ended February 28, 2005  
have not been reviewed by the Company's auditor.*

**MIRANDA GOLD CORP.**  
**CONSOLIDATED BALANCE SHEET**  
(Unaudited)

	FEBRUARY 28 2005	AUGUST 31 2004 (Note 1)
<b>ASSETS</b>		
<b>Current</b>		
Cash and short term deposits	\$ 3,478,587	\$ 1,611,118
Accounts receivable	24,022	8,777
Prepaid expenses	33,719	37,007
	<u>3,536,328</u>	<u>1,656,902</u>
Investment (Note 3)	88,000	88,000
Capital Assets (Note 4)	56,543	59,874
Mineral Properties (Note 5)	215,646	197,613
Deferred Exploration Expenditures	298,250	198,466
	<u>\$ 4,194,767</u>	<u>\$ 2,200,855</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 46,192	\$ 46,708
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 6)	9,924,657	7,429,182
Contributed Surplus	1,792,116	939,323
Deficit	(7,568,198)	(6,214,358)
	<u>4,148,575</u>	<u>2,154,147</u>
	<u>\$ 4,194,767</u>	<u>\$ 2,200,855</u>

Approved by the Directors:

*"Kenneth Cunningham"*

*"Dennis Higgs"*

# MIRANDA GOLD CORP.

## CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

(Unaudited)

	THREE MONTHS ENDED FEBRUARY 28		SIX MONTHS ENDED FEBRUARY 28	
	2005	2004	2005	2004
<b>Expenses</b>				
Amortization	\$ 4,346	\$ 756	\$ 8,353	\$ 1,512
Consulting	28,246	14,222	56,850	14,222
Corporate finance services	-	7,400	-	11,650
Interest and foreign exchange	(1,143)	134	9,318	4,954
Investor relations	22,492	48,239	34,959	66,298
Management fees	19,600	15,000	34,600	30,000
Office rent, telephone, secretarial and sundry	46,059	46,863	88,105	79,092
Professional fees	36,753	18,655	50,764	21,070
Property examination costs	64,312	-	93,693	-
Stock based compensation	869,000	793,892	869,000	793,892
Travel and business promotion	19,460	30,074	70,587	52,383
Transfer agent and regulatory fees	23,870	14,291	26,752	19,791
Wages and benefits	36,274	27,761	68,574	27,761
	<b>1,169,269</b>	<b>1,017,287</b>	<b>1,411,555</b>	<b>1,122,625</b>
Less: Interest income	(12,180)	(1,330)	(12,615)	(1,992)
<b>Loss Before The Following</b>	<b>1,157,089</b>	<b>1,015,957</b>	<b>1,398,940</b>	<b>1,120,633</b>
<b>Loss On Sale Of Mineral Properties</b>	-	630	-	10,725
<b>Mineral Property Option Payments Received In Excess Of Cost</b>	(4,959)	-	(45,100)	(7,584)
<b>Write Off Of Abandoned Mineral Properties And Related Exploration Expenditures</b>	-	219,611	-	301,930
<b>Loss For The Period</b>	<b>1,152,130</b>	<b>1,236,198</b>	<b>1,353,840</b>	<b>1,425,704</b>
<b>Deficit, Beginning Of Period</b>	<b>6,416,068</b>	<b>4,355,809</b>	<b>6,214,358</b>	<b>4,166,303</b>
<b>Deficit, End Of Period</b>	<b>\$ 7,568,198</b>	<b>\$ 5,592,007</b>	<b>\$ 7,568,198</b>	<b>\$ 5,592,007</b>
<b>Basic And Diluted Loss Per Share</b>	<b>\$ 0.05</b>	<b>\$ 0.07</b>	<b>\$ 0.06</b>	<b>\$ 0.10</b>
<b>Weighted Average Number Of Shares Outstanding</b>	<b>23,702,505</b>	<b>16,484,998</b>	<b>23,047,676</b>	<b>13,801,679</b>

# MIRANDA GOLD CORP.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

	THREE MONTHS ENDED FEBRUARY 28		SIX MONTHS ENDED FEBRUARY 28	
	2005	2004	2005	2004
<b>Cash Flows From Operating Activities</b>				
Loss for the period	\$ (1,152,130)	\$ (1,236,198)	\$ (1,353,840)	\$ (1,425,704)
Add (Deduct): Non-cash items:				
Amortization	4,346	756	8,353	1,512
Stock based compensation	869,000	793,892	869,000	793,892
Loss on sale of mineral properties	-	630	-	10,725
Mineral property option payments received in excess of costs	(4,959)	-	(45,100)	(7,584)
Write off of abandoned mineral properties and related exploration expenditures	-	219,611	-	301,930
	<b>(283,743)</b>	<b>(221,309)</b>	<b>(521,587)</b>	<b>(325,229)</b>
Change in non-cash working capital items:				
Accounts receivable	(15,079)	5,644	(15,245)	(3,433)
Prepaid expenses	(8,504)	(9,870)	3,288	(16,780)
Accounts payable	30,866	13,562	(516)	(6,808)
	<b>(276,460)</b>	<b>(211,973)</b>	<b>(534,060)</b>	<b>(352,250)</b>
<b>Cash Flows From Investing Activities</b>				
Purchase of capital assets	(5,022)	-	(5,022)	-
Mineral property option payments received	37,190	-	170,697	25,000
Mineral properties	(39,044)	(96,758)	(74,927)	(121,191)
Exploration expenditures	(114,466)	(44,453)	(150,187)	(100,226)
Proceeds on sale of mineral properties	-	(630)	-	54,470
	<b>(121,342)</b>	<b>(141,841)</b>	<b>(59,439)</b>	<b>(141,947)</b>
<b>Cash Flows From Financing Activities</b>				
Issue of share capital	2,261,850	668,900	2,541,110	1,179,720
Share issue costs	(80,142)	-	(80,142)	-
	<b>2,181,708</b>	<b>668,900</b>	<b>2,460,968</b>	<b>1,179,720</b>
<b>Increase (Decrease) In Cash And Cash Equivalents</b>	<b>1,783,906</b>	<b>315,086</b>	<b>1,867,469</b>	<b>685,523</b>
<b>Cash And Cash Equivalents, Beginning Of Period</b>	<b>1,694,681</b>	<b>660,187</b>	<b>1,611,118</b>	<b>289,750</b>
<b>Cash And Cash Equivalents, End Of Period</b>	<b>\$ 3,478,587</b>	<b>\$ 975,273</b>	<b>\$ 3,478,587</b>	<b>\$ 975,273</b>

### SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:

During the period ended February 28, 2005, the Company issued 40,000 share purchase warrants with a fair value of \$18,300 pursuant to mineral property option agreements described in Notes 5(d) and 5(k).

During the period ended February 28, 2005, the Company received 2,750,000 common shares with a fair value of \$88,000 pursuant to the mineral property sale and option agreements described in Note 5(b).

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 1. BASIS OF PRESENTATION

The interim consolidated financial statements of Miranda Gold Corp. (the "Company") have been prepared by management in accordance with accounting principles generally accepted in Canada. The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the fiscal year ended August 31, 2004, except as described below. The disclosures included below are incremental to those included with the annual consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto in the Company's annual report for the year ended August 31, 2004.

### 2. a) NATURE OF OPERATIONS

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown as mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, and the ability of the Company to obtain profitable production or proceeds from the disposition thereof.

### b) SIGNIFICANT ACCOUNTING POLICIES

#### i) Consolidation

These financial statements include the accounts of the Company and its wholly owned U.S. subsidiary, Miranda U.S.A., Inc., and its Mexican subsidiary, Minas Miranda S.A. de C.V.

#### ii) 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.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 2. b) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### iii) Capital Assets

Capital assets are recorded at cost and are amortized over their economic lives using the declining balance method using the following rates:

Computer equipment	30%
Computer software	100%
Field equipment	25%
Furniture and fixtures	20%

#### iv) Financial Instruments

The Company's financial instruments consist of cash and short term deposits, accounts receivable, prepaid expenses, and accounts payable and accrued liabilities.

Unless otherwise noted, 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 approximate their carrying values, unless otherwise noted.

#### v) Mineral Properties and Related Deferred Exploration Expenditures

The Company defers all direct exploration expenditures on mineral properties in which it has a continuing interest to be amortized over the productive period when a property reaches commercial production. On abandonment of any property, applicable accumulated deferred exploration expenditures will be written off.

#### vi) Future Income Taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. 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.

#### vii) Loss Per Share

Loss per common share has been calculated using the weighted average number of common shares.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 2. b) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### vii) Loss Per Share (Continued)

The Company follows the accounting standard for the calculation of net loss per share which follows the "treasury stock method" in the calculation of diluted net loss per share, and requires the presentation of both basic and diluted net loss per share on the face of the consolidated statement of operations and deficit regardless of the materiality of the difference between them.

Diluted net earnings per share is computed by dividing the net earnings for the period by the weighted average number of shares of common stock and potential common stock outstanding during the period, if dilutive.

#### viii) Investments

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

#### ix) Foreign Currency Translation

Transactions recorded in United States dollars and Mexican new pesos 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.

#### x) Stock Based Compensation

In September 2003, the CICA issued an amendment to Section 3870 – "Stock Based Compensation and Other Stock Based Payments". The amended section is effective for fiscal years beginning on or after January 1, 2004. The amendment requires that companies measure all stock based payments using the fair value method of accounting and recognize the compensation expense in their financial statements. The Company implemented this amended standard in their fiscal year ended August 31, 2004 on a prospective basis in accordance with the early adoption provisions of the standard. According to the transitional provisions, early adoption requires that compensation expense be calculated and recorded in the statement of operations for options granted on or after September 1, 2003.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 2. b) SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### x) Stock Based Compensation (Continued)

Under this amended standard, the Company must account for compensation expense based on the fair value of rights granted under its stock based compensation plan. Under this method, compensation costs attributable to share options granted to employees or directors is measured at fair value at the grant date, and expensed over the expected exercise time frame 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.

### 3. INVESTMENT

	<b>FEBRUARY 28 2005</b>	AUGUST 31 2004
2,750,000 common shares of Otish Mountain Diamond Company. These common shares are subject to a hold period and are not freely tradable until December 12, 2004. (Market value February 28, 2005 - \$330,000).	<b>\$ 88,000</b>	\$ 88,000

### 4. CAPITAL ASSETS

	<b>FEBRUARY 28 2005</b>			AUGUST 31 2004
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Computer equipment	\$ 27,460	\$ 9,479	<b>\$ 17,981</b>	\$ 17,327
Computer software	1,050	788	<b>262</b>	525
Furniture and fixtures	5,949	920	<b>5,029</b>	4,001
Field equipment	43,453	10,182	<b>33,271</b>	38,021
	<b>\$ 77,912</b>	<b>\$ 21,369</b>	<b>\$ 56,543</b>	<b>\$ 59,874</b>

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES

	<b>FEBRUARY 28 2005</b>	<b>AUGUST 31 2004</b>
a) Secret Basin Property, Nevada		
The Company has acquired a 100% interest in the Secret Basin property located in Nye County, Nevada for U.S. \$5,000 and the issuance of 10,000 shares. The Company will issue an additional 60,000 shares upon the project reaching certain development and exploration milestones including positive pre-feasibility and feasibility.	\$ -	\$ 18,400
Option payment received	-	(1,492)
Write down	-	(16,908)
	<hr/> -	<hr/> -

The Company has granted an option to acquire a 50% interest in its Secret Basin, Nevada property for the following consideration:

- cash payment of US\$1,000;
- exploration expenditures totalling U.S. \$250,000 by June 30, 2004, US\$10,000 of which must be expended by April 30, 2004.

During the year ended August 31, 2004, the Company abandoned its interest in the Secret Basin Property.

#### b) Otish Mountains, Quebec

The Company has acquired a 100% interest, subject to certain net smelter return and gross overriding royalty obligations, in nine mineral properties, comprising a total of 766 mineral claims covering 96,957 acres, located in the Otish Mountains region of Quebec. Consideration payable for each property is as follows:

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<b>FEBRUARY 28 2005</b>	<b>AUGUST 31 2004</b>
b) Otish Mountains, Quebec (Continued)		
<b>PROPERTY</b>	<b>CASH</b>	<b>SHARES</b>
Lac Leran	\$ 23,000	165,000 common shares
Lac Pigeon	\$ 23,000	165,000 common shares
Lac Leran #2	\$ 129	-
Lac Pigeon #2	\$ 5,271	-
Lac Joubert	\$ 4,341	-
Lac Orillat	\$ 4,978	-
Lac Herve	\$ 27,700	-
Lac Square Rock	\$ 7,500	-
Lac Taffanel	\$ 6,000	-
Total consideration paid	\$ -	\$ 197,919
Sale of interest	-	(50,648)
Option payments received	-	(95,349)
Write down	-	(51,922)
	-	-

In addition, an annual advance royalty payment of \$15,000 is payable under the Lac Leran and Lac Pigeon property agreements.

During the year ended August 31, 2004, the Company sold its 100% interest in the Lac Leran #2, Lac Joubert, Lac Orillat, Lac Herve, Lac Square Rock and Lac Taffanel Properties for net proceeds of \$55,100, 1,250,000 common shares of Otish Mountain Diamond Corp. ("OMDC"), and the retention of a 1% net smelter return and gross overriding royalty.

On November 4, 2003, the Company entered into a Letter of Intent on a joint venture proposal for the Lac Leran Property. The Company will option a 45% interest on the property to OMDC for consideration of:

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

<b>FEBRUARY 28</b>	<b>AUGUST 31</b>
<b>2005</b>	<b>2004</b>

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b) Otish Mountains, Quebec (Continued)

i) \$45,000 of which \$25,000 is due upon signing the Letter of Intent (received), and \$20,000 (received) is due upon the earlier of receiving geological samples and reports or February 29, 2004;

ii) 1,500,000 shares of OMDC (received).

c) Hercules Project, Imperial Mine Property, and Gilman Property, Nevada

The Company has entered into an option agreement for the acquisition of a 100% interest in three mineral properties in Nevada. Consideration payable under the option agreement is as follows:

i) In connection with the signing of the agreement and its acceptance by the TSX Venture Exchange, US\$20,000 in cash and warrants to purchase 100,000 shares at \$0.25 for two years. US\$5,000 due upon signing the agreement and the balance payable within 90 days.

ii) On or before September 18, 2003, US\$16,000 in cash, US\$75,000 in exploration expenditures and warrants to purchase 50,000 shares at \$0.25 for two years.

iii) On or before September 18, 2004, US\$20,000 in cash, US\$75,000 in exploration expenditures and warrants to purchase 50,000 shares at \$0.25 for two years.

iv) On or before September 18, 2005, US\$24,000 in cash, US\$150,000 in exploration expenditures and warrants to purchase 75,000 shares at \$0.30 for two years.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<u>FEBRUARY 28</u> <u>2005</u>	<u>AUGUST 31</u> <u>2004</u>
c) Hercules Project, Imperial Mine Property, and Gilman Property, Nevada (Continued)		
v) On or before September 18, 2006, US\$40,000 in cash, US\$150,000 in exploration expenditures and warrants to purchase 75,000 shares at \$0.35 for two years.		
vi) On or before September 18, 2007, US\$60,000 in cash, US\$200,000 in exploration expenditures and warrants to purchase 100,000 shares at \$0.40 for two years.		

In addition, the Company has agreed to pay a finder's fee consisting of warrants to purchase 50,000 shares at \$0.25, 5% of the cash payments paid by the Company, and warrants to purchase 50,000 shares at \$0.40 once a positive feasibility study has been produced for any one of the three properties in the agreement.

During the year ended August 31, 2003, the Company terminated its option in the Gilman Property.

During the year ended August 31, 2004, the Company entered into a letter of intent to joint venture the Hercules Project. The Company also sold its option in the Imperial Mine Property for net proceeds of US\$50,000.

The option in the Hercules Project was written off as the Company abandoned its option subsequent to August 31, 2004.

Consideration paid to date	\$ -	\$ 85,283
Option payments received	-	(13,778)
Write down	-	(47,133)
Sale of interest	-	(24,372)
	<u>-</u>	<u>-</u>

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

<b>FEBRUARY 28</b>	<b>AUGUST 31</b>
<b>2005</b>	<b>2004</b>

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- d) Blackrock Project, Cold Springs Project, Troy Project and Redlich Project, Nevada

The Company has entered into an option agreement for the acquisition of a 100% interest in four mineral properties in Nevada. Consideration payable under the option agreement is as follows:

- i) In connection with the signing of the agreement and its acceptance by the TSX Venture Exchange, US\$20,000 in cash and warrants to purchase 100,000 shares at \$0.40 for two years. US\$5,000 payable due upon signing the agreement and the balance payable by April 23, 2003.
- ii) On or before January 23, 2004, US\$6,000 in cash, US\$22,500 in exploration expenditures and warrants to purchase 15,000 shares at \$0.40 for two years.
- iii) On or before January 23, 2005, US\$7,500 in cash, US\$22,500 in exploration expenditures and warrants to purchase 15,000 shares at \$0.40 for two years.
- iv) On or before January 23, 2006, US\$9,000 in cash, US\$45,000 in exploration expenditures and warrants to purchase 22,500 shares at \$0.45 for two years.
- v) On or before January 23, 2007, US\$15,000 in cash, US\$45,000 in exploration expenditures and warrants to purchase 22,500 shares at \$0.50 for two years.
- vi) On or before January 23, 2008, US\$22,500 in cash, US\$60,000 in exploration expenditures and warrants to purchase 30,000 shares at \$0.55 for two years.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<b>FEBRUARY 28 2005</b>	AUGUST 31 2004
d) Blackrock Project, Cold Springs Project, Troy Project and Redlich Project, Nevada (Continued)		
During the year ended August 31, 2004, the Company terminated its options in the Blackrock and Cold Springs Projects.		
During the year ended August 31, 2004, the Company entered into a letter of intent to joint venture the Redlich Project.		
Consideration paid to date	\$ 85,722	\$ 70,424
Option payments received	(46,104)	(15,403)
Write down	(39,618)	(39,618)
	<u>-</u>	<u>15,403</u>

#### e) Bald Peak Project, Nevada

The Company has entered into an option agreement for the acquisition of a 100% interest in a mineral project in Mineral County, Nevada. Consideration payable under the option agreement is as follows:

- i) In connection with signing the agreement, US\$7,500 in cash, US\$2,000 immediately, and US\$5,500 within 15 days.
- ii) Within 45 days of signing, warrants to purchase 25,000 shares at \$0.25 for two years.
- iii) On or before the earlier of the drilling permit approval date or November 19, 2005, US\$10,000 in cash and warrants to purchase 25,000 shares at \$0.25 for two years.
- iv) On or before one year from (iii) above, US\$15,000 in cash and warrants to purchase 25,000 shares at \$0.30 for two years.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<u>FEBRUARY 28</u> <u>2005</u>	<u>AUGUST 31</u> <u>2004</u>
e) Bald Peak Project, Nevada (Continued)		
v) On or before two years from (iii) above, US\$25,000 in cash and warrants to purchase 25,000 shares at \$0.35 for two years.		
vi) On or before three years from (iii) above, US\$35,000 in cash and warrants to purchase 25,000 shares at \$0.40 for two years.		
vii) On or before four years from (iii) above, US\$50,000 in cash and warrants to purchase 50,000 shares at \$0.45 for two years.		
viii) On or before five years from (iii) above, US\$35,000 in cash and warrants to purchase 50,000 shares at \$0.50 for two years.		
Consideration paid to date	<u>\$ 24,505</u>	<u>\$ 24,505</u>
f) Red Canyon Property, Nevada		
The Company has entered into a mining lease and option to purchase agreement for the lease of a mineral property in Nevada. Consideration payable under the 20 year lease agreement is payable as follows:		
i) On signing the agreement, US\$26,200 in cash and warrants to purchase 75,000 shares at CDN\$0.37 for two years.		
ii) US\$25,000 on or before November 18, 2004		
iii) US\$35,000 on or before November 18, 2005.		
iv) US\$40,000 on or before November 18, 2006.		
v) US\$50,000 on or before November 18, 2007 and 2008.		

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

FEBRUARY 28 2005	AUGUST 31 2004
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f) Red Canyon Property, Nevada (Continued)

vi) US\$75,000 on or before November 18, 2009 through 2012.

vii) US\$100,000 on or before November 18, 2013 through 2023.

During the period ended November 30, 2004, the Company entered into a joint venture agreement for the Red Canyon Property. The Company will option a 60% interest in the property for consideration of:

i) Initial cash payment of US\$30,000.

ii) Assuming the lease payments.

iii) Incurring exploration expenditures totalling \$2.5 million by December 31, 2009.

An additional 10% interest can be earned by the joint venture partner by their completion of a bankable feasibility study.

Consideration paid to date

Option payments received

\$	<b>69,371</b>	\$	69,371
	<b>(35,883)</b>		-
	<b>33,488</b>		69,371

g) BPV, CONO, Coal Canyon and Red Hill Projects, Nevada

The Company has entered into a mining lease on four mineral properties in Nevada. Consideration payable under the 20 year lease agreement for each of BPV, CONO and Coal Canyon is payable as follows:

i) On signing the agreement, US\$6,250 in cash (paid).

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<u>FEBRUARY 28 2005</u>	<u>AUGUST 31 2004</u>
g) BPV, CONO, Coal Canyon and Red Hill Projects, Nevada (Continued)		
ii) US\$6,250 on or before May 27, 2005 and 2006.		
iii) US\$10,000 on or before May 27, 2007 and 2008.		
iv) US\$12,500 on or before May 27, 2009.		
v) US\$15,000 on or before May 27, 2010.		
vi) US\$30,000 on or before May 27, 2011 and 2012.		
vii) US\$40,000 on or before May 27, 2013 and 2014.		
viii) US\$50,000 on or before May 27, 2015 through 2024.		
A 2.5% to 5% sliding scale production royalty that is subject to buy down provisions to 2% is also payable.		
Consideration paid to date for all three leases	<u>\$ 25,834</u>	<u>\$ 25,834</u>
Consideration payable under the 20 year lease agreement for the Red Hill Project is payable as follows:		
i) On signing the agreement, US\$6,250 in cash (paid).		
ii) US\$12,500 on or before May 27, 2005 and 2006.		
iii) US\$20,000 on or before May 27, 2007 and 2008.		
iv) US\$25,000 on or before May 27, 2009.		
v) US\$30,000 on or before May 27, 2010.		
vi) US\$40,000 on or before May 27, 2011 and 2012.		
vii) US\$50,000 on or before May 27, 2013 and 2014.		

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<u>FEBRUARY 28 2005</u>	<u>AUGUST 31 2004</u>
g) BPV, CONO, Coal Canyon and Red Hill Projects, Nevada (Continued)		
viii) US\$60,000 on or before May 27, 2015 through 2024.		
A 2.5% to 5% sliding scale production royalty that is subject to buy down provisions to 2% is also payable.		
During the period ended November 30, 2004, the Company entered into a joint venture agreement for the Red Hill Property. The Company will option a 60% interest in the property for consideration of:		
i) Initial cash payment of US\$40,000.		
ii) US\$65,000 cash payment by October 27, 2005.		
iii) US\$100,000 cash payment by October 27, 2006.		
iv) US\$135,000 cash payment by October 27, 2007.		
v) US\$200,000 cash payment by October 27, 2008.		
vi) Incurring exploration expenditures of US\$2.0 million over a four year earn-in period.		
An additional 10% interest can be earned by the joint venture partner by their completion of a feasibility study.		
Consideration paid to date for the Red Hill lease	\$ 8,611	\$ 8,611
Option payments received	(8,611)	-
	<u>-</u>	<u>8,611</u>
h) Fuse Property, Nevada		
The Company has staked 148 claims in Eureka County, Nevada. Subsequent to the period ended February 28, 2005, the Company staked an additional 45 claims.		
Staking cost	<u>33,549</u>	<u>33,549</u>

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**  
(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<u>FEBRUARY 28</u> <u>2005</u>	<u>AUGUST 31</u> <u>2004</u>
i) JDW Property, Nevada		
The Company has staked 62 claims in Eureka County, Nevada.		
Staking cost	<u>\$ 13,826</u>	<u>\$ 13,826</u>
j) Ettu Property, Nevada		
The Company has staked 28 claims in Kobeh Valley, Nevada.		
Staking cost	<u>6,514</u>	<u>6,514</u>
Subsequent to the period ended February 28, 2004, the Company staked an additional 46 claims in Kobeh Valley, Nevada.		
k) Horse Mountain Property, Nevada		
The Company has entered into a mining lease for a property in Nevada. Consideration payable under the 20 year lease agreement is payable as follows:		
i) On signing the agreement, US\$30,000 in cash and warrants to purchase 25,000 shares at \$0.70 for two years.		
ii) US\$30,000 on or before November 23, 2005.		
iii) US\$30,000 on or before November 23, 2006.		
iv) US\$40,000 on or before November 23, 2007.		
v) US\$40,000 on or before November 23, 2008.		
vi) US\$50,000 on or before November 23, 2009.		
vii) US\$50,000 on or before November 23, 2010.		

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 5. MINERAL PROPERTIES (Continued)

	<u>FEBRUARY 28</u> <u>2005</u>	<u>AUGUST 31</u> <u>2004</u>
k) Horse Mountain Property, Nevada (Continued)		
viii) US\$70,000 on or before November 23, 2011.		
ix) US\$80,000 on or before November 23, 2012.		
x) US\$100,000 on or before November 23, 2013.		
xi) US\$100,000 on or before each subsequent anniversary of November 23.		
The property is subject to a net smelter royalty of 3.5%.		
Consideration paid to date	<u>\$ 48,183</u>	<u>\$ -</u>
l) Dame Property, Nevada		
The Company has staked 301 claims in Kobeh Valley, Nevada.		
Staking cost	<u>8,149</u>	<u>-</u>
m) Iron Point Property, Nevada		
The Company has staked 156 claims in Humboldt County, Nevada.		
Staking cost	<u>21,598</u>	<u>-</u>
	<u>\$ 215,646</u>	<u>\$ 197,613</u>

### 6. SHARE CAPITAL

#### a) Authorized

100,000,000 common shares without par value

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 6. SHARE CAPITAL (Continued)

#### b) Issued and Outstanding

	<u>NUMBER OF SHARES</u>	<u>CONSIDERATION</u>
Balance, August 31, 2003	10,300,760	\$ 5,071,869
Shares issued for cash pursuant to a private placement	4,650,000	782,500
Shares issued on exercise of options	455,000	76,100
Stock based compensation	-	29,103
Shares issued on exercise of warrants	6,683,625	1,469,610
Shares issued for commission pursuant to a private placement	79,875	-
Balance, August 31, 2004	22,169,260	7,429,182
Shares issued for cash pursuant to a private placement	2,900,000	1,949,858
Shares issued on exercise of options	34,000	5,960
Shares issued on exercise of warrants	1,736,500	505,150
Fair value of warrants exercised	-	34,507
Balance, February 28, 2005	<u>26,839,760</u>	<u>\$ 9,924,657</u>

- c) During the period ended February 28, 2005, the Company completed a private placement of 2,900,000 units at \$0.70 per unit. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.90 per share for a two year period. In addition, a cash payment of \$80,142 was paid as commission on the private placement.

During the year ended August 31, 2004, the Company completed a private placement of 1,250,000 units at \$0.17 per unit. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.23 per share to December 7, 2005.

During the year ended August 31, 2004, the Company completed a private placement of 400,000 units at \$0.30 per unit. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.40 per share to December 11, 2005.

During the year ended August 31, 2004, the Company completed a private placement of 3,000,000 units at \$0.15 per unit. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.20 per share to November 6, 2005. In addition, the Company issued 79,875 units at a fair value of \$0.15 per unit as commission relating to the private placement.

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 6. SHARE CAPITAL (Continued)

#### d) Options Outstanding

As at February 28, 2005, options were outstanding for the purchase of common shares as follows:

<u>NUMBER OF SHARES</u>	<u>PRICE PER SHARE</u>	<u>EXERCISABLE</u>	<u>EXPIRY DATE</u>
20,000	\$ 0.14	20,000	December 14, 2006
100,000	\$ 0.20	100,000	September 16, 2007
546,000	\$ 0.27	546,000	June 18, 2008
250,000	\$ 0.23	187,500	November 7, 2008
150,000	\$ 0.35	112,500	December 8, 2008
1,615,000	\$ 0.53	1,211,250	February 9, 2009
25,000	\$ 0.65	25,000	July 26, 2007
1,975,000	\$ 0.71	1,975,000	February 17, 2010

A summary of the changes in stock options for the period ended February 28, 2005 is presented below:

	<u>SHARES</u>	<u>WEIGHTED AVERAGE EXERCISE PRICE</u>
Balance, August 31, 2003	1,305,000	\$ 0.22
Granted	2,090,000	0.48
Exercised	(455,000)	(0.17)
Cancelled	(200,000)	(0.30)
Balance, August 31, 2004	2,740,000	0.42
Granted	1,975,000	0.71
Exercised	(34,000)	(0.18)
Balance, February 28, 2005	<u>4,681,000</u>	<u>\$ 0.55</u>

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 6. SHARE CAPITAL (Continued)

#### e) Share Purchase Warrants

As at February 28, 2005, share purchase warrants were outstanding for the purchase of common shares as follows:

<u>NUMBER OF SHARES</u>	<u>PRICE PER SHARE</u>	<u>EXPIRY DATE</u>
1,230,000	\$ 0.30	April 8, 2005
50,000	\$ 0.25	September 18, 2005
1,697,875	\$ 0.20	November 7, 2005
915,000	\$ 0.23	December 7, 2005
180,000	\$ 0.40	December 11, 2005
25,000	\$ 0.25	January 9, 2006
75,000	\$ 0.37	February 6, 2006
25,000	\$ 0.70	November 23, 2006
2,900,000	\$ 0.90	February 10, 2007
15,000	\$ 0.40	January 23, 2007

### 7. RELATED PARTY TRANSACTIONS

- a) During the six months ended February 28, 2005, the Company paid \$34,600 (2003 - \$30,000) to a company controlled by a director for management of the Company's affairs.
- b) During the six months ended February 28, 2005, the Company paid \$64,161 (2003 - \$25,066) to companies controlled by directors for rent, telephone, secretarial and office services.
- c) The mineral properties described in Note 5(b) were acquired from a director, companies controlled by a director, and a company controlled by a person related to this same director.
- d) A director and officer of the Company holds a 10% interest in the properties described in Note 5(g).

# MIRANDA GOLD CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FEBRUARY 28, 2005**

(Unaudited)

### 8. SUBSEQUENT EVENTS

Subsequent to February 28, 2005, the Company granted 75,000 stock options to a new employee. The stock options are exercisable for a price of \$0.71 per share up until April 20, 2010.

Subsequent to February 28, 2005, the Company entered into a signed formal exploration agreement with an option to joint venture the Coal Canyon Property. The Company will option 60% interest in the property for consideration of:

- Initial cash payment of US\$15,000;
- Issuance of 250,000 shares;
- Assuming the lease payments;
- Making cash payments totaling \$185,000 and incurring exploration expenditures of US\$1,000,000 over a four year earn-in period.

Subsequent to February 28, 2005, the Company signed a letter of intent to joint venture its CONO and BPV projects located in Eureka County, Nevada with Agnico-Eagle (USA) Ltd.

Subsequent to February 28, 2005, the Company signed a letter of intent to complete an exploration agreement to joint venture its Fuse project with Placer Dome US.