MIRANDA GOLD
CORP.

ANNUAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2006

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MANAGEMENT DISCUSSION AND ANALYSIS

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FOR THE YEAR ENDED AUGUST 31, 2006

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, 2006 and 2005.

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 12, 2006, 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 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 their further more advanced exploration and development.

Presently the Company has 15 gold exploration projects in various stages of exploration. All but one of the projects are 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 Wing property located in northern Elko County.

The newly staked Lookout property is in Toole 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 expanded its Carlin-style gold exploration focus to the northern extensions of the Battle Mountain Trend through its acquisition of the Horse Mountain, Iron Point, and PPM projects. The Company has a secondary effort focused on epithermal vein targets, and will not limit its sediment-hosted generative program to the Battle Mountain-Eureka Trend.

Based on Nevada sediment-hosted gold experience, Miranda geologists believe sediment-hosted gold opportunities exist in Utah. The Lookout property is within the eastern Great Basin province, an area hosting economic, sediment-hosted gold deposits such as Mercur, Barney's Canyon, and Melco. Miranda's expansion strategy into Utah is to identify early-stage, sediment-hosted gold opportunities in under explored terrains. Miranda geologists believe the Lookout property meets these criteria.

The Company has built a track record of successful project definition, acquisition, and joint venture while at the same time, conserving the treasury.

Joint Venture Update

The Red Hill, Redlich, Red Canyon, Fuse (East and West), Coal Canyon and Horse Mountain projects are joint-ventured to other companies.

Redlich, Esmeralda Country, Nevada

Newcrest Resources Inc. completed its third campaign of drilling on Miranda's Redlich project.

Newcrest's 15 hole, 10,975 foot drill program focused on better defining and extending known mineralization.

Results were announced by the Company on September 27 and November 15, 2006.

Redlich 2006 drilling highlights

Hole Number	Interval (feet)	Length (feet)	Grade (oz Au/t)	Length (meters)	Grade (g Au/t)
R76	575-580	5	0.603	1.52	20.700
R84	275-280	5	0.440	1.52	15.100
R77	155-215	60	0.043	18.30	1.470
R77, including	160-165	5	0.375	1.50	12.850
R90	140-145	5	0.139	1.5	4.77

Miranda updated a three-dimensional computer model with the 2006 drill information to illustrate possible vein trends. Four inclined holes (R-77, R-73, R-1 and R-84) with intercepts 0.25 oz Au/t (8.6 g Au/t.) or greater infer the existence of a north 30 degree west-striking and 80 degree northeast-dipping "vein" zone. This vein zone appears continuous along 1,230 feet (375 meters) of strike and remains open to the northwest and southeast and at depth. The southeast projection of this "vein" zone is noteworthy because only three holes test a 3,940 foot (1,200 meters) distance between holes R-84 and R-43. Both of these holes intersect bonanza gold grades including 5 feet of 0.44 oz Au/t (15.07 g Au/t) in R-84 and 5 feet of 1.35 oz Au/t (1.5m of 46.3 g Au/t) in R-43.

The 3D model also outlines a 985 foot east-west (300 meter) by 1,230 foot north-south (375 meter) envelope of $\geq$0.01 oz Au/t (0.340 g Au/t) mineralization surrounding the higher-grade "vein" zone. This gold mineralization remains open to the west, southeast and south. The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource.

During the summer of 2005, Newcrest completed an additional 26 reverse circulation drill holes (R48 through R74) for a total of 16,145 feet. This phase of drilling continued testing high-grade gold mineralization and vein continuity in the Redlich fault zone as well as offsetting mineralization in Newcrest drill hole R43. Of particular interest in this round of drilling is an intercept of 1.945 ounce gold per ton over 5 feet. Notably this intercept includes thinly banded texture within a quartz vein and is significantly deeper than previous high-grade intercepts reported by Newcrest in 2004.

Newcrest completed a first-phase drill program in the end of October 2004 that included 19 holes (R29 through R47) for a total of 11,094 feet of reverse circulation drilling. The highlights of this drilling included high-grade intercepts of 5 feet of 1.35 oz Au/t in R43, and 15 feet of 0.330 ounce gold per ton in R45. Hole R43 is especially significant in that it intersected a vein approximately 3,000 feet from previously known occurrences. In addition to these high-grade intercepts, one hole drilled a low-grade intercept of 190 feet of 0.020 ounce gold per ton.

Newcrest has now completed 61 drill holes totaling 37,564 feet (11,450 meters) on the project. This third drill campaign continued to focus on a northwest-trending fault corridor hosting high-grade gold in low-sulfidation quartz veins and thick, continuous zones of disseminated or stockwork gold surrounding the high grade veins. These results continue to verify the presence of both styles of gold mineralization.

The Redlich project is located along the Walker Lane structural corridor. The Redlich prospect is an upper-level, low-sulfidation epithermal system with a geologic setting similar to other Walker Lane precious metal systems. Banded quartz, noted in surface exposures of Tertiary gravels, is found over an area of approximately 100 acres but the source of this mineralization is unknown. The Redlich project presents the potential to discover both high-grade banded quartz veins and bulk tonnage stockwork mineralization.

Newcrest can earn a 65% interest in the Redlich Property by paying Miranda USD$165,000 in stages and completing a work commitment of USD$575,000, expendable in stages to January 23, 2008, with a minimum work commitment of USD$200,000 per year thereafter until USD$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. Newcrest can earn an additional 10% interest by completing a positive feasibility study, and up to an 80% interest, at Miranda's election, by providing half of Miranda's portion of the development costs.

Red Canyon, Eureka Country, Nevada

On July 13, 2006 the Company signed a binding Letter of Intent with Romarco Minerals Inc. ("Romarco") whereby Romarco may earn a joint venture interest in the Red Canyon property, located in the Cortez Trend of Nevada.

Under the terms of the Letter of Intent, Romarco can earn a 60% interest by spending USD$3,000,000 over five years. A work expenditure of USD$400,000 is obligated in the first year and escalates in following years. Romarco may then elect to earn an additional 10% interest (for a total of 70%) by funding a Bankable Feasibility Study.

Miranda is pleased to welcome Romarco as a partner and believes both companies will benefit from the aggressive approach to exploration that is outlined in the agreement. Romarco's exploration is led by their Vice President, Dr. Tommy Thompson, who brings considerable knowledge and expertise regarding Carlin-type deposits to the Red Canyon project. Miranda's exploration team have spent the last several months reviewing and modeling targets at Red Canyon from data generated by past joint venture partner, Newmont. The combined exploration expertise of the two companies will provide a sound basis for future work at Red Canyon.

The Red Canyon project area covers 7.7 square miles (19.8 square kilometers) consisting of 237 unpatented lode mining claims. The property adjoins U.S. Gold's Tonkin Springs property on the south and 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. The Cortez Hills project has a reported gold resource of 8.5 million ounces.

Effective April 10, 2006 the Company regained 100-per-cent control of the Red Canyon project on termination of the exploration and option to joint venture agreement between the Company and Newmont Mining Corp. In 2005, Newmont completed geologic mapping, reinterpretation of geophysical data, 3-D modelling and a gas geochemical survey, followed by 13,115 feet of reverse-circulation drilling in 11 holes. Miranda was encouraged by the extent and nature of the alteration found in drill holes from the Gexa and Red targets on the east side of the property. However, gold assays were disappointing, prompting Newmont to ultimately make the decision to terminate the venture agreement.

Miranda wishes to thank Newmont for its excellent work on the property and for its responsiveness as a joint venture partner. The Company looks toward the future and establishing new relationships with Newmont.

Miranda controls the Red Canyon property through a lease with the Red Canyon Corporation. The most recent lease payment, due November 18, 2005, was made by Newmont. The next lease payment, due November 18, 2006 will be made by Romarco.

BPV and CONO, Eureka County, Nevada

On April 11, 2006 Miranda reported geophysical survey results from Agnico-Eagle (USA) Limited (“Agnico”) on the CONO and BPV projects. Agnico completed 14 line kilometers of Magneto Telluric survey on two lines. The survey was designed to identify basement depths, prominent faults and guide drill targeting in pediment areas. The original survey also called for collection of IP data; however this survey was abandoned due to coupling problems in conductive ground. The Magneto Telluric results were integrated with gravity and drilling data to guide initial geologic interpretations.

Geophysical data indicate the pediment gravels are 400 to 1,600 feet thick and they thin eastward onto the CONO project. At CONO, the thinner gravel cover corresponds with a northwest-striking gravity high. Two previous drill holes near the gravity high indicate this response is mapping prospective lower-plate carbonate rocks. Agnico plans to drill test this area in 2006. At BPV, geophysical data illustrate a zone of high resistivity in high angle contact with a lower resistivity zone. This relationship may reflect a horst of prospective lower-plate carbonate in fault contact with upper-plate rocks.

By November, 2006 Agnico had completed a five-hole drill program totaling 7,070 feet on the BPV-CONO project. The drill holes were designed to test for lower-plate carbonate rocks, which were projected based on detailed gravity, magnetotelluric 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.

Agnico terminated its option to earn an interest in the BPV and CONO properties from Miranda effective November 30, 2006. Miranda wishes to thank Agnico for its work on the project. Miranda will evaluate project data in order to determine the next phase of this project.

CONO and BPV are three miles south of the Cortez Joint Venture's ET Blue project and approximately one-half mile north of US Gold's Tonkin Springs property. The projects occur within a west-northwest structural projection of fault-controlled gold mineralization. Previous drilling on the CONO claims intersected lower-plate carbonate rocks below pediment gravels. Structural trends important to the ET Blue and Grouse Creek gold mineralization may project onto the Miranda properties.

Horse Mountain Property, Lander County, Nevada

On October 31, 2006 the Company announced that Barrick had begun drilling at Miranda's Horse Mountain Property. This, Barrick's second drill campaign will attempt to locate "feeder fault zones" that may have acted as conduits for the emplacement of the gold mineralization intersected in 2005 in drill hole HM-1.

Although Barrick initially planned a 5 hole program, only 3 holes were completed. This was sufficient to meet work commitment requirements. Miranda has been told that all holes intersected lower-plate carbonate rocks. Assays are pending.

In 2005 Barrick reported drilling a mineralized interval of 98.2 feet of 0.023 oz Au/ton in drill hole BHM-1 from 926.2 ft to 1024.4 feet. Drill testing confirmed that gold mineralization is hosted in strongly decalcified, oxidized, clay-altered, and brecciated carbonate rocks interpreted to be Roberts Mountain Formation. Gold mineralization begins at the Roberts Mountains thrust fault and continues within an uplifted block of lower-plate carbonate rocks.

The Horse Mountain property lies approximately 11 miles west of the Cortez Joint Venture Pipeline Mine Complex and was identified by Placer Dome U.S. Inc. as a strategic area of interest following the Cortez Hills discovery in 2002. The property comprises 139 claims over 4.5 square miles that showcase a geology characterized by hydrothermally altered chert, chert-argillite, and quartzite in the upper plate of the Roberts Mountains thrust fault. The structural framework on the project consists of north, north-west and north-east striking faults that intersect the larger, through-going west-northwest-striking Wilson Canyon fault zone.

Coal Canyon Property, Eureka County, Nevada

Golden Aria Corporation. ("Golden Aria") began drilling on Miranda's Coal Canyon property in mid December 2006. This first phase of drilling will consist of two holes totaling approximately 3,000 feet.

The Coal Canyon property consists of 64 unpatented lode claims in the center of the Cortez Trend, approximately three miles south of the Cortez Joint Venture's ET Blue project and adjoining the northeast side of US Gold's Tonkin Springs property. The property occupies approximately two square miles (5.2 square kilometers) 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 on the Cortez Trend.

Past exploration has focused on the northwest-trending Grouse Creek fault that lies on ground controlled by others adjacent to the southwest margin of Miranda's property. Historic drilling along this fault has encountered significant gold mineralization of up to 85 feet of 0.022 oz Au/t (26m of 0.753 gr Au/t) in the Hanson Creek dolomite and the underlying Eureka quartzite. Gold mineralization is associated with altered dikes, iron oxide and silicification. Significant stratiform alteration is also noted locally at the Hanson Creek-Robert's Mountain Formation contact away from the Grouse Creek fault zone.

Orientation surveys conducted by Golden Aria demonstrate that the Grouse Creek fault mineralization correlates with gradient resistivity and self-potential geophysical anomalies. Golden Aria's two drill holes will test other coincident gradient resistivity and self-potential anomalies at the intersection of locally altered fault zones. The conceptual target inferred from geophysics and surface mapping is for broad zones of silicification enveloping vertically extensive, oxidizing sulfides, which could represent pyritic dikes within gold-bearing fault zones.

Fuse East, Fuse West, Eureka Country, Nevada

No plans for 2006 have been submitted by the Cortez Joint Venture (Placer Cortez Inc. and Kennecott Explorations, managed by Placer Dome U.S., Inc.) at Fuse East. However, this joint venture, signed in October 2005 and amended April 25, 2006, has a minimum duration of two years and a minimum expenditure level within the two years. As per an amendment of the joint venture terms dated April 25, 2006, the 2006 work obligation of $175,000 was deferred into 2007.

Similarly, no plans for 2006 have been submitted by the Buckhorn Venture partner (Placer Dome U.S. Inc. and Teck Cominco America Incorporated) at Fuse West. This joint venture, signed in November 2005, also has a minimum duration of two years and a minimum expenditure level within the two years.

Red Hill Property, Eureka Country, Nevada

The Red Hill joint venture was signed in October 27, 2004 by Placer Dome (“Placer”), amended November 17, 2005 and most recently on April 25, 2006. Placer was obligated and did expend USD$100,000 prior to October 27, 2005. This work consisted of drilling one hole to a depth of 940 feet. The hole did not reach lower-plate targets and did not encounter any significant mineralization. In 2006 Barrick Gold Exploration (“Barrick”) took over as operator of the joint venture following its purchase of Placer. To meet 2006 obligations Barrick paid the Company USD$25,000 and drilled 2 holes. On December 5, 2006 the Company announced the assay results from these 2 holes. Hole BRH-013 intersected 45 feet of 0.237 oz Au/t between 1,920 feet and 1,965 feet. This interval lies within a longer, lower-grade mineralized zone. Mineralization is hosted in lower-plate carbonate rocks and 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 mineralized intervals for the holes are shown in the following table:

Hole Number	Interval (ft)	Length (ft)	Grade (oz Au/t)	Length (m)	Grade (g Au/t)
BRH-12	**No Significant Assays**				
BRH-013	1920-2000	80	0.146	24.4	4.987
Includes	1920-1965	45	0.237	13.7	8.105

Reported grades are based on the average of original assays, check assays and duplicates.

The second drill hole, BRH-012, located approximately 1,900 feet west of hole BRH-013 intersected several zones of altered and oxidized lower-plate carbonate rocks with elevated levels of arsenic and other trace elements. Gold values in hole BRH-012 are not significantly anomalous. Both holes were drilled to a depth of 2,200 feet.

Based on the encouraging results Barrick is currently drilling 2 offset holes adjacent to BRH-013.

Iron Point

On November 22, 2006 the Company signed a binding Letter of Intent with White Bear Resources, Inc. ("White Bear") whereby White Bear may earn a joint venture interest in the Iron Point property.

Under the terms of the Letter of Intent, that is to be replaced by a definitive option agreement, White Bear can earn a 60% interest by spending US$2,500,000 in qualifying expenditures over five years. White Bear may then elect to earn an additional 10% interest (for a total of 70%) by funding a Bankable Feasibility Study or by spending an additional US$10,000,000. A work expenditure of US$100,000 in the first year and US$200,000 in the second year are obligations with following year Work Expenditures optional and escalating in the following three years. A US$20,000 payment has been made to the Company and upon receipt of regulatory approval and the parties' execution of the definitive Exploration and Option to Enter a Joint Venture Agreement, White Bear shall issue to the Company 100,000 common shares in the capital of White Bear. A second issue of 100,000 shares is due upon the first anniversary date of the agreement.

The Iron Point Project area covers 5.8 square miles (14.9 square kilometers) consisting of 178 unpatented lode mining claims. 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 mined and remaining gold reserves. Airborne magnetic surveys conducted by the US Geological Survey suggest multiple strands of the ore-controlling Getchell fault system cut through the project area. The local geologic setting at Iron Point includes a repeated pattern of west-northwest and north-northwest intersecting dikes and fault parallel folding, locally associated with gold mineralization. Two metallogenic phases are appreciated at Iron Point. One is an older (Cretaceous?) intrusive-associated base metal phase and the other a later (?) gold-arsenic dominated phase. This locus of younger (38MA) gold deposition near an older intrusive-hornfels margin is a repeated pattern in major deposits of both the Cortez and Carlin Trends and is deemed an important feature at Iron Point.

The Company is especially interested in generating drill targets near Cambrian to Ordovician and Ordovician to Penn-Permian age formation contacts. The larger gold deposits in the surrounding area (Lone Tree, Marigold, Getchell/Turquoise Ridge and Pinson) are preferentially located near these major geologic terrain boundaries. This important conceptual target has not been consistently explored by historic work in the Iron Point district. Drilling by previous operators has indicated multiple anomalously mineralized fault zones that justify further drill-testing after resolving exploration targets. The Company will act as a contractor to White Bear and will immediately begin a program of soil sampling and detailed mapping funded by White Bear. This program will be followed by geophysical surveys and drilling.

Personnel changes

Senior Geologist Appointed

On April 11, 2006 Miranda announced the appointment of Steven Koehler as the Company's Senior Project Geologist.

Mr. Koehler comes to Miranda with over 16 years of mineral exploration experience on the Battle Mountain-Eureka and Carlin gold trends of Nevada. As a senior geologist with the Cortez Joint Venture, he was a member of the exploration team that discovered the +8.0 million ounce Cortez Hills gold deposit. Under his guidance, project level exploration and drilling identified underground caliber gold mineralization adjacent to Cortez Hills. Additionally, Mr. Koehler took a lead role in developing and illustrating lower-plate carbonate stratigraphy in the Cortez District. Stratigraphic refinements identified numerous near-mine/generative exploration opportunities and guided geologic reinterpretation of the Pipeline Mine. While with Newmont Mining Corporation on the Carlin Trend, Mr. Koehler is credited with team participation in discovering the +5.0 million ounce West Leeville deposit, and discoveries at Four Corners and Crow.

As Senior Project Geologist for Miranda Mr. Koehler will be responsible for managing exploration activities with the project geologists of the company's joint venture partners operating on Miranda's projects.

Investor Relations Coordinator

Fiona Grant was hired to handle our investor and shareholder relations functions. Ms. Grant has a marketing degree and has initiated a number of shareholder programs that have been well received.

Corporate Secretary

On June 1, 2006 Aileen Lloyd resigned from the Board of Directors and as Corporate Secretary of the Company. The Board then appointed Doris Meyer, Chief Financial Officer of the Company, as CFO and Corporate Secretary.

Chairman of Audit Committee

On August 9, 2006 G. Ross McDonald joined the Board of Directors and was appointed as Chairman of the Audit Committee. Mr. McDonald has a long history of experience in dealing with junior resource companies in various capacities, including Chief Financial Officer of Cardero Resources and subsequently of Corriente Resources Inc. Mr. McDonald holds a Bachelor of Commerce degree from the University of British Columbia and is a registered Chartered Accountant since 1968. He has held positions with Price Waterhouse in Canada and Australia, various private partnerships and public resource companies. Mr. McDonald is currently involved as a Director of Fjordland Exploration Inc, Frontier Pacific Mining Corporation and Corriente Resources Inc. He is also Chief Financial Officer of Atna Resources and VP of Finance and Chief Financial Officer of Aura Gold Inc.

Results of Operations

The Company incurred a net loss of $1,725,624 for the year ended August 31, 2006 (August 31, 2005 - $1,937,922; August 31, 2004 - $2,048,055).

Expenses for the year ended ending August 31, 2006 were $2,086,839 (August 31, 2005 - $2,017,471; August 31, 2004 - $1,628,819). 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 $1,336,487 (August 31, 2005 - $1,095,074; August 31, 2004 - $816,142). The increase for the year ended August 31, 2006 was 22% higher than the year ended August 31, 2005 and 34% higher than the year ended August 31, 2004.

Significant differences between the years follows:

Consulting fees and wages and benefits combined to $456,486 for the year ended ending August 31, 2006 (August 31, 2005 - $335,256; August 31, 2004 - $182,641). 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 $38,500 consulting fees in the fiscal year ended August 31, 2006.

Management fees for the year ended ending August 31, 2006 were $104,494 (August 31, 2005 - $76,100; August 31, 2004 - $60,000). The fees for the current 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, 2006 was $237,555 (August 31, 2005 - $190,971; August 31, 2004 - $169,381). Fees paid to a company controlled by a director for rent, telephone, secretarial, website, internet and office services included in this total were $127,700 for the year ended August 31, 2006 (August 31, 2005 - $84,374; August 31, 2004 - $128,321). For the fiscal year ended August 31, 2006 the Company had shared additional office space and personnel for the Vancouver office. The remainder is the cost of opening and operating the Elko, Nevada exploration office.

Investor relation and travel and business promotion combined to $244,757 for the year ended August 31, 2006 (August 31, 2005 - $241,026; August 31, 2004 - $300,323). 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 Fiona Grant as a full time investor relations liaison with the investment community.

In the year ended August 31, 2006 the Company received mineral property option payments totaling $226,663 (August 31, 2005 - $189,237; August 31, 2004 - $135,395). In accordance with the Company's accounting policy, option payments received are first credited to the individual project's mineral property costs, next to that project's deferred exploration expenditures before any remaining portion is recognized as revenue. In the year ended August 31, 2006 the Company recognized $66,847 as mineral property option payments received in excess of cost.

The Company also received net proceeds of $329,938 in the year ended August 31, 2006 from the sale of 8,250,000 common shares of Gulf Coast Oil and Gas ("GCOG" - formerly Otish Mountain Diamond Company).

In the year ended ending August 31, 2006 the Company was unsuccessful in finding partners to joint venture and fund the exploration costs of the Sampson, Troy and JDW projects and the Company wrote off $110,997 of mineral property and deferred exploration costs. The Company wrote off $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 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 and exploration costs 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 2006 audited	**Fiscal Year Ended August 31 2005 audited**	**Fiscal Year Ended August 31 2004 audited**
Income Statement			
Interest income	$ 166,448	$47,968	$13,789

	Fiscal Year Ended August 31 2006 audited	**Fiscal Year Ended August 31 2005 audited**	**Fiscal Year Ended August 31 2004 audited**
Net loss	$(1,725,624)	$(1,937,922)	$(2,048,055)
Net loss per share	$(0.05)	$(0.08)	$(0.11)
Balance Sheet			
Total assets	$7,427,053	$4,222,999	$2,200,855
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:

	Aug 31 2006 $	**May 31 2006 $**	**Feb 28 2006 $**	**Nov 30 2005 $**	**Aug 31 2005 $**	**May 31 2005 $**	**Feb 28 2005** $	**Nov 30 2004** $
Interest income	64,262	53,593	27,938	20,655	31,947	3,406	12,180	435
Loss for the period	380,623	846,191	285,602	213,208	295,268	288,814	1,152,130	201,710
Basic and diluted loss per share	0.01	0.02	0.01	0.01	0.01	0.01	0.05	0.01

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 and exploration costs. The Company expenses its 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 2006 fiscal year with cash of $3,102,849. In the year the Company expended $1,145,532 to operating activities, recovered $281,616 from investing activities and received $4,210,434 from financing activities to end the year with $6,449,367 in cash and cash equivalents.

Included in investing activities, the Company received $226,663 in option payments from joint venture partners, $329,938 from the sale of GCOG stock that was received as payment for a mineral property and expended $275,335 on equipment, mineral property costs and deferred exploration on its projects for a net recovery of $281,616. Joint venture partner expenditures on the Company's projects are not reported in the Company's accounts.

Financing activities raised a total of $4,210,434 cash including proceeds net of issue costs of $1,751,940 from a private placement of 2 million units closed on October 17, 2005, proceeds of $1,224,844 from the exercise of 2,348,500 stock options and proceeds of $1,233,650 from the exercise of 3,089,250 share purchase warrants.

At December 12, 2006 the Company has 3,133,250 outstanding share purchase warrants and 4,493,750 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 position at August 31, 2006 was $6,449,367 compared to $3,102,849 at August 31, 2005.

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, 2006	**Year ended August 31, 2005**	**Year ended August 31, 2004**
Senate Capital Group Inc. – a company controlled by Dennis Higgs	Office rent, telephone, secretarial and office services	$127,700	$84,374	$128,321
Ubex Capital Inc. – a company controlled by Dennis Higgs	Management Fees	$71,500	$76,100	$60,000
	Commission on sale of GCOG shares	$32,994	$nil	$nil
Golden Oak Corporate Services Ltd. – a company owned by Doris Meyer	Consulting fees – bookkeeping, accounting, financial reporting services	$38,500	$nil	$nil

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 deferred exploration costs are described in note 5 and Schedule 1 to the annual audited financial statements for the year ended August 31, 2006.

Outstanding Share Data as at December 12, 2006

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

As at December 12, 2006, issued and outstanding share capital is:

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Stock Options
August 31, 2006	**36,266,510**	**3,158,250**	**4,772,500**
Options exercised	278,750	-	(278,750)
Warrants exercised	25,000	(25,000)	-
Balance December 12, 2006	**36,570,260**	**3,133,250**	**4,493,750**

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 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.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the annual financial statements and notes thereto, MD&A and other information contained in this annual report. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually on a three-year rotation 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 four 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 12, 2006**

MIRANDA GOLD
CORP.

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2006 AND 2005
(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, 2006 and 2005, and the consolidated statements of operations and deficit, and cash flows for the years ended August 31, 2006, 2005 and 2004. 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, 2006 and 2005, and the results of its operations and its cash flows for the years ended August 31, 2006, 2005 and 2004, in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada "Morgan & Company"

December 12, 2006 Chartered Accountants

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MEMBER OF jhi

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Vancouver, B.C. V7Y 1A1

MIRANDA GOLD CORP.

CONSOLIDATED BALANCE SHEETS
(Stated in Canadian Dollars)

	AUGUST 31	
	2006	2005
ASSETS		
Current		
Cash and cash equivalents	**$ 6,449,367**	$ 3,102,849
Accounts receivable	**30,118**	31,883
Advances and prepaid expenses	**64,629**	96,828
	6,544,114	3,231,560
Investment (Note 3)	**-**	88,000
Equipment (Note 4)	**107,280**	120,205
Mineral Properties (Note 5 and Schedule 1)	**324,694**	421,985
Deferred Exploration Expenditures (Schedule 1)	**450,965**	361,249
	$ 7,427,053	$ 4,222,999
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 89,157**	$ 100,706
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	**15,528,015**	10,493,824
Contributed Surplus (Note 6)	**1,687,785**	1,780,749
Deficit	**(9,877,904)**	(8,152,280)
	7,337,896	4,122,293
	$ 7,427,053	$ 4,222,999

Approved by 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		
	2006	2005	2004
Expenses			
Amortization	**$ 34,937**	$ 27,597	$ 11,238
Consulting	**107,473**	163,423	83,623
Corporate finance services	**-**	-	14,675
Interest and foreign exchange	**16,052**	10,378	6,314
Insurance	**40,122**	-	-
Investor relations	**104,836**	118,940	159,011
Office rent, telephone, secretarial, sundry	**237,555**	190,971	169,381
Professional fees	**102,758**	77,644	31,625
Management fees	**94,494**	76,100	60,000
Property examination costs	**109,641**	126,044	15,713
Stock based compensation	**715,415**	894,800	801,439
Travel and business promotion	**139,921**	122,086	141,312
Transfer agent and regulatory fees	**34,622**	37,655	35,470
Wages and benefits	**349,013**	171,833	99,018
	2,086,839	2,017,471	1,628,819
Less: Interest income	**(166,448)**	(47,968)	(13,789)
Loss before the following	**1,920,391**	1,969,503	1,615,030
Loss on sale of mineral properties	-	-	595
Management fees earned	**(2,092)**	-	-
Mineral property option payments received in excess of cost	**(66,847)**	(68,152)	(8,216)
Gain on sale of investment (Note 3)	**(241,938)**	-	-
Loss on disposal of equipment	**420**	-	-
Write off of equipment	**4,693**	-	-
Write off of abandoned mineral properties and related exploration	**110,997**	36,571	440,646
Net loss for the year	**1,725,624**	1,937,922	2,048,055
Deficit, beginning of year	**8,152,280**	6,214,358	4,166,303
Deficit, end of year	**$ 9,877,904**	$ 8,152,280	$ 6,214,358
Basic and diluted loss per share	**$ (0.05)**	$ (0.08)	$ (0.11)
Weighted average number of shares outstanding	**33,991,092**	25,684,831	18,082,282

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

	YEARS ENDED AUGUST 31		
	2006	2005	2004
Cash flows from operating activities			
Net loss for year	**$ (1,725,624)**	$ (1,937,922)	$ (2,048,055)
Amortization	**34,937**	27,597	11,238
Stock based compensation	**715,415**	894,800	801,439
Loss on sale equipment	**420**	-	-
Loss on sale of mineral properties	**-**	-	595
Mineral property option payments received in excess of cost	**(66,847)**	(68,152)	(8,216)
Write-off of abandoned mineral properties and related exploration expenditures	**110,997**	36,571	440,646
Write-off of equipment	**4,693**	-	-
Gain on sale of investment	**(241,938)**	-	-
Change in non-cash working capital items:			
Accounts receivable	**1,765**	(23,106)	(1,560)
Prepaid expenses	**32,199**	(59,821)	(9,766)
Accounts payable and accrued liabilities	**(11,549)**	53,998	22,406
	(1,145,532)	(1,076,035)	(791,273)
Cash flows from investing activities			
Proceeds on sale of investment	**329,938**	-	-
Mineral property option payments received	**226,663**	189,237	135,395
Proceeds on sale of equipment	**350**	-	-
Proceeds on sale of mineral properties	**-**	-	121,195
Equipment purchases	**(27,475)**	(87,928)	(61,030)
Mineral property acquisitions	**(56,771)**	(291,331)	(162,149)
Exploration expenditures	**(191,089)**	(235,180)	(248,980)
	281,616	(425,202)	(215,569)
Cash flows from financing activities			
Issue of share capital	**4,258,494**	3,073,110	2,328,210
Share issue costs	**(48,060)**	(80,142)	-
	4,210,434	2,992,968	2,328,210
Increase in cash and cash equivalents	**3,346,518**	1,491,731	1,321,368
Cash and cash equivalents, beginning of year	**3,102,849**	1,611,118	289,750
Cash and cash equivalents, end of year	**$ 6,449,367**	$ 3,102,849	$ 1,611,118

See notes to consolidated financial statements

MIRANDA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Stated in Canadian Dollars)

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:

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 5 (c).

During the year ended August 31, 2006, the Company issued 60,000 share purchase warrants as finders fees with a value of $54,000 pursuant to a private placement described in note 6 (b)(2).

During the year ended August 31, 2005, the Company issued 40,000 share purchase warrants with a fair value of $18,300 pursuant to the mineral property option agreements described in Notes 5(b), 5(c) and 5(k).

During the year ended August 31, 2004, the Company issued 215,000 share purchase warrants with a fair value of $70,020 pursuant to mineral property option agreements.

During the year ended August 31, 2004, the Company received 2,750,000 common shares with a fair value of $88,000 pursuant to a mineral property sale and option agreement. During the year ended August 31, 2005, the shares were split three for one, increasing the Company's shares held to 8,250,000.

MIRANDA GOLD CORP.
(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2006 AND 2005
(Stated in Canadian Dollars)

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 state of Nevada, U.S.A. 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, 2006, the Company had an accumulated deficit of $9,877,904 and working capital of $6,454,957.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These financial statements 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 short term deposits with maturities of no more than ninety days when acquired.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Equipment

Equipment is recorded at cost and is amortized over the economic lives using the declining balance method using the following rates:

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

e) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable 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 values of these financial instruments approximate their carrying values, unless otherwise noted.

f) Mineral Properties and Related Deferred Exploration Expenditures

Mineral property acquisition costs and related exploration and development costs are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. These costs will be amortized over the estimated life of the property following commencement of commercial production or will be written off if the property is sold, allowed to lapse or abandoned.

Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests pursuant to the terms of the agreement. Payments relating to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

Option payments received are treated as a reduction of the carrying value of the related deferred costs until the Company's costs are recovered. Option payments received in excess of costs incurred are credited to revenue.

The amount shown for mineral property interests represents costs incurred to date and the fair market value of common shares issued and does not necessarily reflect present or future value. Administrative expenditures are expensed in the year incurred. Where a property interest is not acquired, property investigation costs are expensed as incurred.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Income Taxes

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

h) Loss Per Share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. Basic and diluted loss per share are equal for the years ended August 31, 2006, 2005 and 2004 as outstanding stock options and warrants were all anti-dilutive.

i) 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.

j) 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.

k) 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.

(Stated in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) 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.

m) Variable Interest Entities

The Canadian Institute of Chartered Accountants issued Accounting Guideline 15, "Consolidation of Variable Interest Entities", to provide accounting guidance related to variable interest entities ("VIE's") and indicates that they are required to be consolidated by the Company (primary beneficiary). The Company adopted the Guideline effective September 1, 2005 and has determined that it has no VIE's.

3. INVESTMENT

	August 31, 2006	August 31, 2005
The Company sold all of its common shares (August 31, 2005 - 8,250,000) of Gulf Coast Oil & Gas (formerly Otish Mountain Diamond Company).	**$ -**	$ 88,000
250,000 common shares (August 31, 2005 – 250,000) of Golden Aria Corp. (a reporting U.S. company) (Note 5 (f)). No value was ascribed to these shares on receipt as there was no basis for determining fair value at that time. (Market value not available.)	**-**	-
	$ -	**$** 88,000

4. EQUIPMENT

	August 31, 2006			August 31, 2005
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Computer equipment	**$ 44,662**	**$ 22,605**	**$ 22,057**	$ 27,495
Furniture and fixtures	**10,845**	**3,544**	**7,301**	8,299
Field equipment	**124,035**	**46,113**	**77,922**	84,411
	$ 179,542	**$ 72,262**	**$ 107,280**	$ 120,205

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES

a) Sampson Property, Lyon County, Nevada

The Sampson property, consisting of two lode mining claims, was acquired by the Company on May 13, 2004 under a mining lease and option to purchase agreement. The Company has not conducted any exploration work on the claims and on May 8, 2006 the Company terminated the option agreement and wrote off $1,730 in acquisition and exploration costs in the current fiscal year.

b) Troy Property, Nye Country, Nevada

On January 23, 2003 (amended May 28, 2003) the Company entered into an option agreement to earn a 100% in the Troy mineral property for consideration payable in stages. The Company was unsuccessful in finding a partner to joint venture the project and terminated the option agreement and wrote off $65,953 in acquisition and exploration costs in the current fiscal year.

c) 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 USD$1,000,000 per percentage point.

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

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

c) Redlich Property, Esmeralda County, Nevada (continued)

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 USD$165,000 and completing work commitments of USD$575,000, payable in stages to January 23, 2008, with a minimum work commitment of USD$200,000 per year thereafter until USD$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. Newcrest expenditures include payment of the underlying option payments as they become due.

Option Due Dates	Cash consideration to be paid to the Company USD	Exploration Expenditures USD
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	-	150,000
March 4, 2007	30,000	-
January 23, 2008	-	200,000
March 4, 2008	30,000	-
Total	**165,000**	**575,000**

d) 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 USD$300 per ounce; 4% if the price of gold is between USD$300 and USD$400 per ounce; and 5% if the price of gold is over USD$400 per ounce. Upon completion of a "bankable feasibility" study the Company has the option to buy two percentage points of the NSR for USD$1,000,000 per percentage point.

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

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

Mining Lease Due Dates	**Cash consideration to be paid to Optionor USD**	**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	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 USD$30,000 at the time of signing the agreement and Newmont incurred USD$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 delivering 250,000 common shares of Romarco, subject to regulatory approval.

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 USD$1 million per year for the first two years and USD$2 million 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 USD$1 million each year until it has incurred additional expenditures in the cumulative amount of USD$20 million upon completion of which Romarco’s interest will be 70% and the Company’s 30%. If Romarco does not expend the required USD$1 million 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.

MIRANDA GOLD CORP.
(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2006 AND 2005
(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

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

Option Due Dates	Stock consideration to be delivered to the Company	Exploration Expenditures USD
July 12, 2007 – obligation – timing subject to drill permitting and drill rig availability	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**

e) BPV & CONO Properties, Eureka Country, 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 USD	Cash consideration to be paid to Lessor for CONO lease USD
Prior to August 31, 2005 (paid)	12,500	12,500
May 27, 2006 (paid)	6,250	6,250
May 27, 2007 and 2008 - $10,000 each year	20,000	20,000
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 its BPV and CONO properties on paying the Company a total of USD$355,000 (USD$55,000 received) and on expending USD$1,500,000 (incurred at least USD$50,000) within five years. Agnico terminated the option effective November 30, 2006 and the Company may seek a new funding partner or terminate the lease prior to May 27, 2007.

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

f) 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 USD
Prior to August 31, 2005 (paid)	12,500
May 27, 2006 (paid)	6,250
May 27, 2007 and 2008 - $10,000 each year	20,000
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 will earn a 60% interest in the Coal Canyon Property by making the following payments and assumption of the mining lease payments. Golden Aria can earn an additional 10% interest by completing a bankable feasibility study. A joint venture will be formed upon completion of the earn-in period.

Option Due Dates	Cash consideration to be paid to the Company USD	Common Shares of Golden Aria issued to the Company	Exploration Expenditures USD
Prior to August 31, 2005 (received)	15,000	-	-
December 31, 2005 (incurred)	-	-	50,000
March 25, 2006 (received)	25,000	250,000	-
December 31, 2006	-	-	100,000
March 25, 2007	25,000	-	-
December 31, 2007	-	-	300,000
March 25, 2008	35,000	-	-
December 31, 2008	-	-	550,000
March 25, 2009	100,000	-	-
Total consideration	**200,000**	**250,000**	**1,000,000**

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

g) 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 USD
Prior to August 31, 2005 (paid)	18,750
May 27, 2006 (paid)	12,500
May 27, 2007 and 2008 - $20,000 each year	40,000
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**

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 its 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. A 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 USD	Exploration Expenditures USD
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	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**

(Stated in Canadian Dollars)

5. **MINERAL PROPERTIES** (continued)

h) Fuse Property, Eureka County, Nevada

During the year ended August 31, 2004 the Company staked the Fuse East and 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 its 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 work expenditures of USD$247,500 and USD$22,500 respectively for each property annually. 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.

Option Due Dates	Cash consideration to be paid to the Company USD	Exploration Expenditures USD	Cash consideration to be paid to the Company USD	Exploration Expenditures USD
	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 (obligation)	36,000	175,000	-	-
November 15, 2007	-	-	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**

i) JDW Property, Eureka County, Nevada

During the year ended August 31, 2004, the Company staked certain mining claims in Nevada. The Company allowed the claims to lapse and wrote off $43,314 in acquisition and exploration costs in the current fiscal year.

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

j) 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.

k) 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 production royalty of 3.5%.

Mining Lease Due Dates	Minimum Advance Royalties payable to Lessor USD	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 and 2008 $40,000	80,000	-	1,500 feet per year
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 + each year thereafter adjusted for inflation	1,200,000	-	
Total consideration	**1,620,000**	**25,000**	

On September 2, 2005 the Company entered into an exploration agreement with an option to form a joint venture with Barrick Gold Exploration Inc. ("Barrick"). Barrick will earn a 60% joint venture interest in the Company's Horse Mountain property by completing the following expenditures. Barrick can earn an additional 10% interest by incurring minimum annual expenditures of no less than USD$1 million per year, with an additional 1% earned for each USD$600,000 expended up to 2015 (70% interest earned for a total of USD$8,000,000 spent). Barrick can earn an additional 5% by arranging or providing post-feasibility financing for the Company's share of development of the project. A joint venture will be formed upon completion of the earn-in period. Barrick's expenditures include payment of the underlying lease payments as they become due.

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

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

Option Due Dates	Cash consideration to be paid to the Company USD	Exploration Expenditures USD
September 2, 2005 (received)	30,000	-
December 31, 2006 (obligation) – including 3,000 feet drilling	-	300,000
January 1, 2007	30,000	-
December 31, 2007	-	400,000
January 1, 2008	30,000	-
December 31, 2008	-	600,000
January 1, 2009	20,000	-
December 31, 2009	-	700,000
Total	**110,000**	**2,000,000**

l) Dame Property, Eureka County, Nevada

In February 2005, the Company staked claims (9.7 square miles) in Kobeh Valley on the south end of the Battle Mountain-Eureka Trend.

m) Iron Point Property, Humboldt Country, 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 for 28 mining claims, with a sliding production royalty between 2.5% to 3.5% depending on the price of gold, for advance minimum royalty payments to be completed on the following schedule. These claims can be purchased outright for cash consideration between USD$1 million to USD$2 million depending on the price of gold anytime up to June 3, 2015.

Mining Lease Due dates	Advance minimum royalty payments to Lessor USD
Prior to August 31, 2005 (paid)	7,000
June 3, 2006 (paid)	10,000
June 3, 2007	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**

(Stated in Canadian Dollars)

5. MINERAL PROPERTIES (continued)

m) Iron Point Property, Humboldt Country, Nevada (continued)

On November 22, 2006 the Company signed a binding Letter of Intent with White Bear Resources, Inc. ("White Bear") whereby White Bear may earn a 60% interest by paying the Company USD$20,000 (received) and by expending USD$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 USD$10,000,000. A work expenditure of USD$100,000 in the first year and USD$200,000 in the second year are obligations with following year work expenditures optional and escalating in the following three years. Upon receipt of regulatory approval and execution of definitive documentation White Bear shall issue the Company 100,000 common shares in the capital of White Bear with a second issue of 100,000 common shares due upon the first anniversary date of the agreement.

n) Angel Wing Property, Elko County, Nevada

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

On October 27, 2005 the Company entered into a 20 year mining lease for 30 mining claims from a private party with a sliding production royalty between 2% to 4% depending on the price of gold, for advance minimum royalty payments to be completed on the following schedule.

Mining Lease Due dates	**Advance minimum royalty payments to Lessor USD**
Prior to August 31, 2005 (paid)	35,000
October 27, 2006 (paid)	35,000
October 27, 2007	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**

o) 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.

(Stated in Canadian Dollars)

6. 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, 2004	22,169,260	$ 7,429,182	$ 939,323
Private placement of shares (net of $80,142 issue costs) (1)	2,900,000	1,949,858	-
Exercise of options – cash	164,000	39,660	-
Exercise of options – stock option valuation	-	71,674	(71,674)
Exercise of warrants – cash	3,535,500	1,003,450	-
Fair value vested stock options granted	-	-	894,800
Fair value share purchase warrants issued for properties	-	-	18,300
Outstanding, August 31, 2005	28,768,760	10,493,824	1,780,749
Private placement of shares (net of $102,060 issue costs) (2)	2,060,000	1,751,940	-
Exercise of options – cash	2,348,500	1,224,844	-
Exercise of options – stock option valuation	-	788,770	(788,770)
Exercise of warrants – cash	3,089,250	1,233,650	-
Exercise of warrants – stock option valuation	-	34,987	(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

(1) During the year ended August 31, 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.

(2) On October 17, 2005 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.

(Stated in Canadian Dollars)

6. SHARE CAPITAL(continued)

b) Issued and Outstanding (continued)

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 on the same terms as the private placement.

c) Stock Options Outstanding

As at August 31, 2006, stock options were outstanding for the purchase of common shares as follows:

Number of shares	Price per share		Exercisable	Expiry Date
10,000	$	0.14	10,000	December 14, 2006
250,000	$	0.23	250,000	November 7, 2008
55,000	$	0.27	55,000	June 18, 2008
615,000	$	0.53	615,000	February 9, 2009
1,343,750	$	0.71	1,018,750	February 17, 2010
18,750	$	0.71	-	April 20, 2010
80,000	$	1.18	32,500	October 18, 2010
125,000	$	2.07	62,500	February 1, 2011
50,000	$	1.70	12,500	May 31, 2011
2,025,000	$	1.92	506,250	April 17, 2011
200,000	$	1.64	50,000	August 8, 2011
4,772,500			2,612,500	

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, 2004	2,740,000	0.42
Granted	2,050,000	0.71
Exercised	(164,000)	(0.24)
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

(Stated in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Stock Based Compensation

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of not more than 7,034,302 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, 2006, the Company recorded $715,415 in stock based compensation for options vested during the year (2005 - $894,800).

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:

	2006	2005
Risk free interest rate	**4.05%**	2.9%
Expected life	**3 years**	3 years
Expected volatility	**84%**	98%
Expected dividend yield	**0%**	0%
Weighted average of fair value of options granted	**$1.06**	$0.44

e) Warrants

As at August 31, 2006, share purchase warrants were outstanding for the purchase of common shares as follows:

Number of Shares	**Price per Share**	**Expiry Date**
25,000	$ 0.70	November 23, 2006
2,092,000	$ 0.90	February 10, 2007
1,030,000	$ 1.15	October 4, 2007
11,250	$ 0.45	January 23, 2008
3,158,250		

(Stated in Canadian Dollars)

6. SHARE CAPITAL (continued)

e) 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, 2004	**6,136,750**	
Issued	2,940,000	0.90
Exercised	(3,535,500)	(0.28)
Expired	(210,000)	(0.26)
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

7. COMMITMENTS

The Company has a service lease agreement for its corporate office for a one year period ending June 30, 2007 at the rate of $1,615 per month.

The Company rents its Elko office on a month to month basis at the rate of USD$1,100 per month.

8. RELATED PARTY TRANSACTIONS

a) During the year ended August 31, 2006, the Company paid $71,500 (2005 - $76,100; 2004 - $60,000) to a company controlled by a common director for management of the Company's affairs. During the same period 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, 2006, the Company paid $127,700 (2005 - $84,374; 2004 - $128,321) to directors or companies controlled by common directors for rent, telephone, secretarial, website, internet and office services.

c) During the year ended August 31, 2006, the Company paid $38,500 (2005 - $nil; 2004 - $nil) to a company controlled by a common officer pursuant to a contract for professional fees.

d) A director and officer of the Company holds a 10% interest in the properties described in Note 5(e), 5(f) and 5(g).

(Stated in Canadian Dollars)

9. 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:

	2006	2005
Combined statutory tax rate	**34%**	35%
Computed tax recovery	**$ (590,000)**	$ (678,000)
Changes in temporary differences	**49,000**	(26,000)
Unrecognized items for tax purposes	**202,000**	313,000
Benefit resulting from reductions in tax rates	**30,000**	62,000
Benefit of income tax losses not recognized	**309,000**	329,000
	$ -	$ -

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

	2006	2005
Capital assets	**$ 24,000**	$ 14,000
Exploration and development deductions	**283,000**	244,000
Non-capital losses carried forward	**1,336,000**	1,089,000
Other temporary differences	**30,000**	25,000
	1,673,000	1,372,000
Valuation allowance	**(1,673,000)**	(1,372,000)
	$ -	$ -

As at August 31, 2006, the Company has available losses for income tax purposes in Canada of approximately $2,488,000 and in the USA of approximately US$1,167,000 which may be carried forward and applied against future taxable income when earned.

(Stated in Canadian Dollars)

9. INCOME TAXES (continued)

These losses expire as follows:

	CANADA	USA
	CDN$	US$
2007	$ 134,000	$ -
2008	168,000	-
2009	279,000	-
2010	414,000	-
2014	794,000	-
2015	199,000	-
2016	500,000	
2025	-	743,000
2026	-	424,000
	$ 2,488,000	$ 1,167,000

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, 2006, the available resource deductions amounted to approximately $886,000. USA exploration resource deductions are amortized over a 10 year period. As at August 31, 2006, the available resource deductions amounted to approximately $694,000.

10. SUBSEQUENT EVENTS

From the period September 1, 2006 to December 12, 2006 the Company issued 278,750 common shares pursuant to the exercise of stock options for gross proceeds of $72,213 and 25,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of $17,500.

11. 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"), which differ in certain respects 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"). The major differences between Canadian and US GAAP, which affect the Company's financial statements, are described below, and their effect on the financial statements is summarized as follows:

	2006	2005	2004
Net loss in accordance with Canadian GAAP	**$ (1,725,624)**	$ (1,937,922)	$ (2,048,055)
Deduct:			
Mineral property costs capitalized in the year and not written-down	**(70,419)**	(309,631)	(182,211)
Deferred exploration expenditures capitalized in the year and not			

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	2006	2005	2004
written-down	**(189,308)**	(230,301)	(196,135)
Add:			
Mineral property option payments received and credited against capitalized acquisition cost	**159,816**	121,085	59,143
Mineral property costs written off in the period that would have been expensed in a prior period	**44,769**	24,505	280,242
Deferred exploration costs written off in the period that would have been expensed in a prior period	**62,717**	7,187	335,429
Stock based compensation related to employee stock options vested during the year	**-**	629,258	700,053
Net loss in accordance with US GAAP	**$ (1,718,049)**	$ (1,695,819)	$ (1,051,534)

	2006	2005	2004
Net loss per share - US GAAP	**$ (0.05)**	$ (0.07)	$ (0.06)
Weighted average shares outstanding - US GAAP	**33,991,092**	25,684,831	18,082,282

MIRANDA GOLD CORP.
(An Exploration Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Statement of Cash Flows in Accordance with US GAAP

	2006	2005	2004
Cash flows to operating activities			
Net loss in accordance with US GAAP	**$ (1,718,049)**	$ (1,695,819)	$ (1,051,534)
Adjustments to reconcile loss to net cash used by operating activities:			
Amortization	**34,937**	27,597	11,238
Warrants issued for other than cash	**15,378**	18,300	70,020
Stock based compensation	**715,415**	265,542	101,386
Acquisition of investments for non cash proceeds	**-**	-	(88,000)
Loss on sale of equipment	**420**	-	-
Write-off of equipment	**4,693**	-	-
Gain on sale of investment	**(241,938)**	-	-
Change in non-cash working capital items:			
Accounts receivable	**1,765**	(23,106)	(1,560)
Prepaid expenses	**32,199**	(59,851)	(9,766)
Accounts payable	**(11,549)**	53,998	22,404
	(1,166,729)	(1,413,309)	(945,812)
Cash flows from (to) investing activities			
Proceeds on sale of investment	**329,938**	-	-
Proceeds on sale of equipment	**350**	-	-
Equipment	**(27,475)**	(87,928)	(61,030)
	302,813	(87,928)	(61,030)
Cash flows from financing activities			
Issue of share capital	**4,258,494**	3,073,110	2,328,210
Share issue costs	**(48,060)**	(80,142)	-
	4,210,434	2,992,968	2,328,210
Increase in cash	**$ 3,346,518**	$ 1,491,731	$ 1,321,368

(Stated in Canadian Dollars)

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

	2006	2005	2004
Shareholders' equity - Canadian GAAP	**$ 7,337,896**	$ 4,122,293	$ 2,154,147
Mineral properties and deferred exploration expenditures (i)	**(775,659)**	(783,234)	(396,079)
Unrealized gains on available for sale securities (ii)	**-**	159,500	627,000
Shareholders' equity – US GAAP	**$ 6,562,237**	$ 3,498,559	$ 2,385,068

	2006	2005
Mineral properties and deferred exploration expenditures – Canadian GAAP	**$ 775,659**	$ 783,234
Mineral properties and deferred exploration expenditures expensed per US GAAP	**(775,659)**	(783,234)
Mineral properties and deferred exploration expenditures – US GAAP	**$ -**	$ -

i) Mineral Property Interests and Exploration Expenditures

Under Canadian GAAP, companies have the option to capitalize mineral property acquisition costs and exploration expenditures until such time as it is determined that further work is not warranted, at which point deferred property costs would be written off. In accordance with Emerging Issues Task Force ("EITF") No. 04-02 – "Whether Mineral Rights are Tangible or Intangible Assets", the Company has capitalized mineral property acquisition costs for United States GAAP. Exploration expenditures are expensed until an independent feasibility study has determined that the property is capable of commercial production. At the Company's current stage of exploration no economically recoverable reserves have been identified on any of its properties. Accordingly, under US GAAP, all mineral property acquisition costs have been capitalized and written down and all exploration costs are expensed as they are incurred.

ii) Investments

The Company has no held-to-maturity debt securities or trading securities. The Company's investments are classified as available-for-sale investments and carried at cost for Canadian GAAP purposes. For US GAAP purposes, holding gains and losses are reported as a separate component of shareholders equity until realized.

(Stated in Canadian Dollars)

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

iii) Stock Based Compensation

Effective September 1, 2002, the Company adopted the Canadian Institute of Chartered Accountants' ("CICA") accounting standard in respect of stock based compensation, whereby the estimated fair value of non-cash, stock based payments to non-employees and direct awards of stock to employees is recorded as an expense using the fair value based method. For all other non-cash stock-based employee compensation awards the Company used the permitted intrinsic value based method, which recognized compensation cost for awards to employees only when the market price exceeds the exercise price at the date of grant, but pro-forma disclosure of the loss and loss per share was required as if the fair value method has been adopted. In September 2003 the CICA issued an amendment to the accounting standard requiring 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 effective September 1, 2003, in accordance with the early adoption provisions of the new standard. Under United States GAAP the Company accounts for all stock options granted to non-employees using the fair value method of accounting. In respect of stock options granted to employees and directors the Company uses the intrinsic value-based method to measure compensation expense only when the market price exceeds the exercise price at the date of grant. Had the Company elected to recognize stock-based compensation based on the estimated fair value of stock options granted, results would have been as follows:

August 31, 2006	
Loss for the year – US GAAP	**(1,718,409)**
Loss per share	**(0.05)**
August 31, 2005	
Loss for the year – US GAAP	(2,325,077)
Loss per share	(0.09)
August 31, 2004	
Loss for the year – US GAAP	(1,751,587)
Loss per share	(0.10)

iv) 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.

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

v) Recent United States Accounting Pronouncements

September 2006 – Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 108, "*Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*." SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. SAB No. 108 is effective for periods ending after November 15, 2006. The Company is currently evaluating the impact of adopting SAB No. 108 but does not expect that it will have a material effect on the consolidated financial statements.

September 2006 - FASB issued Statement No. 157, "*Fair Value Measures*". This Statement defines fair value, establishes a framework for measuring fair value in GAAP, expands disclosures about fair value measurements, and applies under other accounting pronouncements that require or permit fair value measurements. Statement No. 157 does not require any new fair value measurements. However, the FASB anticipates that for some entities, the application of Statement No. 157 will change current practice. Statement No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of Statement No. 157 but does not expect that it will have a material impact on the consolidated financial statements.

June 2006 - FASB issued Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes-an Interpretation of FASB Statement No. 109*." This Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB No. 109, "*Accounting for Income Taxes.*" This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. This Interpretation is effective for fiscal years beginning after December 15, 2006. The Company does not expect that the implementation of Statement No. 158 will have any material impact on its financial position and results of operations.

November 2005 - FASB issued Staff Position No. FSP (FASB Staff Position) FAS (Financial Accounting Standard) 115-1 – "*The Meeting of Other-Than-Temporary Impairment and Its Application to Certain Investments*". FAS FSP 115-1 provides accounting guidance for identifying and recognizing other-than-temporary impairments of debt and equity securities, as well as cost method investments in addition to disclosure requirements. FAS FSP 115-1 is effective for reporting periods beginning after December 15, 2005, and earlier application is permitted. The Company has determined that the adoption of FAS FSP 115-1 does not have an impact on its results of operations or financial position.

Schedule 1

MIRANDA GOLD CORP.

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

YEAR ENDED AUGUST 31, 2006

(Stated in Canadian Dollars)

	MINERAL PROPERTIES					EXPLORATION EXPENDITURES					
Property	Balance August 31 2005	Acquisition Costs	Option Payments Received	Write Off Of Interests	**Balance August 31 2006**	Balance August 31 2005	Additions/ Reimburse-ments	Expense Reimburse-ments	Option Payments Received	Write Off Of Interests	**Balance August 31 2006**
Sampson	$ -	$ 1,730	$ -	$ (1,730)	**$ -**	$ -	$ -	$ -	$ -	$ -	**$ -**
Troy	23,052	-	-	(23,052)	**-**	42,117	784	-	-	(42,901)	**-**
Redlich	-	20,617	(20,617)	-	**-**	5,397	2,926	-	(6,865)	-	**1,458**
Red Canyon	33,488	-	-	-	**33,488**	17,785	15,061	-	-	-	**32,846**
BPV	8,611	-	(8,611)	-	**-**	7,883	3,660	-	(11,543)	-	**-**
CONO	8,611	-	(8,611)	-	**-**	12,747	7,331	-	(15,565)	-	**4,513**
Coal Canyon	-	-	-	-	**-**	33,093	30,835	(34,107)	(1,247)	-	**28,574**
Red Hill	7,526	6,921	(14,447)	-	**-**	-	3,210	-	(1,655)	-	**1,555**
Fuse	63,342	-	(35,328)	-	**28,015**	55,950	252	(37,107)	-	-	**19,095**
JDW	21,717	-	-	(21,717)	**-**	20,600	997	-	-	(21,597)	**-**
ETTU	25,925	-	-	-	**25,925**	18,818	12,594	-	-	-	**31,412**
Horse Mountain	48,183	-	(35,328)	-	**12,855**	74,981	9,314	(20,461)	-	-	**63,834**
Dame	72,584	-	-	-	**72,584**	51,366	51,139	-	-	-	**102,505**
Iron Point	66,806	19,289	-	-	**86,095**	19,771	77,517	-	-	-	**97,288**
Angel Wing	42,140	13,124	-	-	**55,264**	741	34,256	-	-	-	**34,997**
PPM	-	10,468	-	-	**10,468**	-	28,840	-	-	-	**28,840**
Lookout	-	-	-	-	**-**	-	4,048	-	-	-	**4,048**
Total	$ 421,985	$ 72,149	$ (122,941)	$ (46,499)	**$ 324,694**	$ 361,249	$ 282,764	$ (91,675)	$ (36,875)	$ (64,498)	**$ 450,965**

MIRANDA GOLD CORP.

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

YEAR ENDED AUGUST 31, 2005

(Stated in Canadian Dollars)

	MINERAL PROPERTIES					EXPLORATION EXPENDITURES					
Property	Balance August 31 2004	Acquisition Costs	Option Payments Received	Write Down Of Interests	**Balance August 31 2005**	Balance August 31 2004	Additions	Expense Reimbursements	Option Payments Received	Write Down Of Interests	**Balance August 31 2005**
Imperial Mines & Hercules	$ -	$ -	$ -	$ -	**$ -**	$ -	$ 4,678	$ -	$ -	$ (4,678)	**$ -**
Troy	15,403	7,649	-	-	**23,052**	27,305	14,812	-	-	-	**42,117**
Redlich	-	7,649	(7,649)	-	**-**	-	6,928	-	(1,531)	-	**5,397**
Bald Peak	24,505	-	-	(24,505)	**-**	7,187	201	-	-	(7,388)	**-**
Red Canyon	69,371	-	(35,883)	-	**33,488**	44,968	14,753	(6,502)	(35,434)	-	**17,785**
BPV	8,611	-	-	-	**8,611**	7,050	833	-	-	-	**7,883**
CONO	8,611	-	-	-	**8,611**	11,968	779	-	-	-	**12,747**
Coal Canyon	8,611	-	(8,611)	-	**-**	10,493	32,529	-	(9,929)	-	**33,093**
Red Hill	8,612	7,525	(8,611)	-	**7,526**	14,952	1,124	(2,639)	(13,437)	-	**-**
Fuse	33,549	29,793	-	-	**63,342**	46,500	9,450	-	-	-	**55,950**
JDW	13,826	7,891	-	-	**21,717**	16,331	4,269	-	-	-	**20,600**
ETTU	6,514	19,411	-	-	**25,925**	11,712	7,106	-	-	-	**18,818**
Horse Mountain	-	48,183	-	-	**48,183**	-	74,981	-	-	-	**74,981**
Dame	-	72,584	-	-	**72,584**	-	51,366	-	-	-	**51,366**
Iron Point	-	66,806	-	-	**66,806**	-	19,771	-	-	-	**19,771**
Angel Wing	-	42,140	-	-	**42,140**	-	741	-	-	-	**741**
Total	$ 197,613	$ 309,631	$ (60,754)	$ (24,505)	**$ 421,985**	$ 198,466	$ 244,321	$ (9,141)	$ (60,331)	$ (12,066)	**$ 361,249**