

---

**BISON GOLD EXPLORATION INC.**  
**(A Development Stage Company)**

**FINANCIAL STATEMENTS**

**SIX MONTHS ENDED JUNE 30, 2007**  
**(UNAUDITED)**

---

Responsibility for Financial Statements

The accompanying unaudited interim financial statements for Bison Gold Exploration Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2006 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of these unaudited interim financial statements, management is satisfied that these unaudited interim financial statements have been fairly presented.

The independent auditor of Bison Gold Exploration Inc. has not performed a review of the unaudited financial statements for the six month period ended June 30, 2007 and June 30, 2006.

# BISON GOLD EXPLORATION INC.

(A Development Stage Company)

## BALANCE SHEETS

	June 30, 2007 (unaudited)	December 31, 2006 (audited)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,737	\$ 103,604
GST receivable	1,462	3,464
Prepaid and sundry receivables	9,520	14,316
	14,719	121,384
Equipment	-	14,137
Mineral properties and deferred exploration costs	847,375	842,816
	\$ 862,094	\$ 978,337
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 137,449	\$ 106,662
Accrued interest payable	21,033	19,811
Notes payable (Note 3)	60,060	30,060
	218,542	156,533
<b>Shareholders' Equity</b>		
Share capital (Note 4(a))	1,434,335	1,434,335
Contributed surplus	610,523	416,650
Deficit	(1,401,306)	(1,029,181)
	643,552	821,804
	\$ 862,094	\$ 978,337

Basis of Presentation and Going Concern (Note 1)

Approved by the Board of Directors

Signed: *Chris Carmichael*

Director

Signed: *Chris Watkiss*

Director

# BISON GOLD EXPLORATION INC.

(A Development Stage Company)

## STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

	Three months ended June 30		Six months ended June 30		Cumulative since inception on 18-Apr-05
	2007	2006	2007	2006	
<b>Expenses</b>					
Accounting and audit	\$ 29,793	\$ 5,730	\$ 36,623	\$ 20,411	\$ 124,664
Business development fees	-	-	-	-	37,383
Consulting fees	-	6,500	-	6,500	93,939
Flow-through interest expense	-	-	-	-	6,075
Insurance	2,700	3,130	5,965	6,030	21,168
Interest and bank charges	1,632	880	2,590	1,854	6,150
Investor relations	1,700	2,539	12,381	4,143	28,212
Legal fees	295	9,507	447	35,994	62,791
Office and general	13,500	5,808	24,017	15,218	110,871
Rent	4,228	9,915	8,455	19,831	64,016
Salaries	28,076	40,227	63,498	71,858	266,256
Stock-based compensation (Note 4(b))	92,119	100,756	193,873	207,544	610,523
Transfer agent, listing and filing fees	17,524	12,844	20,023	27,290	50,489
Travel	-	-	-	665	5,653
Amortization	237	1,100	474	2,200	10,720
	191,804	198,936	368,346	419,538	1,498,910
<b>Other income and expenses</b>					
Interest income	-	(3,643)	(137)	(7,780)	(11,220)
Loss (gain) on sale of equipment	5,000	-	(5,182)	-	(5,182)
Write-down of equipment	3,323	-	3,323	-	3,323
Write-down of deferred expenditures (Note 2)	-	-	5,775	-	5,775
<b>Loss for the period before recovery of income taxes</b>	(200,127)	(195,293)	(372,125)	(411,758)	(1,491,606)
Recovery of future income taxes	-	-	-	-	90,300
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (200,127)</b>	<b>\$ (195,293)</b>	<b>\$ (372,125)</b>	<b>\$ (411,758)</b>	<b>\$ (1,401,306)</b>
<b>Basic and fully diluted loss per share (Note 5)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	
<b>Weighted average number of common shares outstanding</b>	<b>20,462,502</b>	<b>20,362,502</b>	<b>20,462,502</b>	<b>19,940,844</b>	

# BISON GOLD EXPLORATION INC.

(A Development Stage Company)

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

	Three months ended June 30		Six months ended June 30		Cumulative since inception on 18-Apr-05
	2007	2006	2007	2006	
<b>Share capital</b>					
Balance, beginning of period	\$1,434,335	\$ 1,384,460	\$ 1,434,335	\$ 1,381,835	\$ 100
Shares issued on private placements	-	-	-	-	1,250,200
Shares issued for acquisition of Mid-North	-	-	-	-	234,325
Tax benefits of renounced flow-through shares	-	-	-	-	(90,300)
Shares issued on settlement of debt	-	-	-	2,625	52,500
Cost of share issue	-	-	-	-	(12,490)
Balance, end of period	1,434,335	1,384,460	1,434,335	1,384,460	1,434,335
<b>Contributed surplus</b>					
Balance, beginning of period	518,404	106,788	416,650	-	-
Stock based compensation	92,119	100,756	193,873	207,544	610,523
Balance, end of period	610,523	207,544	610,523	207,544	610,523
<b>Deficit</b>					
Balance, beginning of period	(1,201,179)	(446,714)	(1,029,181)	(230,249)	-
Net loss for the period	(200,127)	(195,293)	(372,125)	(411,758)	(1,401,306)
Balance, end of period	(1,401,306)	(642,007)	(1,401,306)	(642,007)	(1,401,306)
<b>Total shareholders' equity, end of period</b>	<b>\$ 643,552</b>	<b>\$ 949,997</b>	<b>\$ 643,552</b>	<b>\$ 949,997</b>	<b>\$ 643,552</b>

# BISON GOLD EXPLORATION INC.

(A Development Stage Company)

## STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended June 30		Six months ended June 30		Cumulative since inception on 18-Apr-05
	2007	2006	2007	2006	
<b>Cash flow from operating activities</b>					
Net loss for the period	\$ (200,127)	\$ (195,293)	\$ (372,125)	\$ (411,758)	\$ (1,401,306)
Items not affecting cash:					
Amortization	237	1,100	474	2,200	10,720
Write-down of equipment	3,323	-	3,323	-	3,323
Write-down of deferred expenditures (Note 2)	-	-	5,775	-	5,775
Gain on sale of equipment	5,000	-	(5,182)	-	(5,182)
Stock based compensation	92,119	100,756	193,873	207,544	610,523
Future income tax recovery	-	-	-	-	(90,300)
Changes in non-cash working capital:					
GST receivable	3,549	23,568	2,003	18,468	(490)
Prepaid and sundry receivables	6,927	29,391	4,796	(5,182)	(9,520)
Accounts payable and accrued interest and liabilities	60,755	(29,854)	32,008	(32,788)	86,576
	(28,217)	(70,332)	(135,055)	(221,516)	(789,881)
<b>Cash flow from investing activities</b>					
Mineral property expenditures	-	(19,338)	(10,334)	(43,580)	(297,140)
Purchase of equipment	-	-	(2,063)	-	(26,446)
Acquisition of Mid-North Resources Limited, net of cash received	-	-	-	-	(167,191)
Proceeds on sale of equipment	(5,000)	-	17,585	-	17,585
	(5,000)	(19,338)	5,188	(43,580)	(473,192)
<b>Cash flow from financing activities</b>					
Issuance of common shares	-	-	-	-	1,250,300
Costs associated with issuance of common shares	-	-	-	-	(12,490)
Notes payable	30,000	(1,000)	30,000	(1,000)	29,000
	30,000	(1,000)	30,000	(1,000)	1,266,810
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(3,217)</b>	<b>(90,670)</b>	<b>(99,867)</b>	<b>(266,096)</b>	<b>3,737</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>6,954</b>	<b>547,406</b>	<b>103,604</b>	<b>722,832</b>	<b>-</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,737</b>	<b>\$ 456,736</b>	<b>\$ 3,737</b>	<b>\$ 456,736</b>	<b>\$ 3,737</b>
<b>Non-cash transactions:</b>					
Shares issued in exchange for Mid-North Resources Limited common shares	\$ -	\$ -	\$ -	\$ -	\$ 234,325
Conversion of liabilities for common shares	\$ -	\$ -	\$ -	\$ -	\$ 52,500

# BISON GOLD EXPLORATION INC.

(A Development Stage Company)

## STATEMENTS OF MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

(Unaudited)

	Three months ended June 30		Six months ended June 30		Cumulative since inception on 18-Apr-05
	2007	2006	2007	2006	
<b>Central Manitoba Bissett</b>					
Balance, beginning of period	\$ 772,375	\$ 540,047	\$ 767,816	\$ 515,805	\$ -
Acquisition costs	-	-	-	-	481,010
Consulting	-	-	-	5,643	90,092
Claims staking	-	-	-	5,522	6,522
Equipment rental	-	-	-	400	3,250
Drilling	-	-	-	-	115,009
Laboratory analysis	-	-	825	4,804	19,083
Other	-	-	-	229	2,902
Reports	-	-	3,734	500	8,062
Subcontracting	-	-	-	5,767	25,659
Linecutting	-	-	-	-	6,362
Transportation and accommodation	-	-	-	1,377	14,424
Total expenditures during the period	-	-	4,559	24,242	772,375
Balance, end of period	772,375	540,047	772,375	540,047	772,375
<b>Burntwood River</b>					
Balance, beginning of period	75,000	75,000	75,000	75,000	-
Acquisition costs	-	-	-	-	75,000
Balance, end of period	75,000	75,000	75,000	75,000	75,000
<b>Gunman</b>					
Balance, beginning of period	-	-	-	-	-
Acquisition costs	-	-	5,775	-	5,775
Write-down of deferred expenditures (Note 2)	-	-	(5,775)	-	(5,775)
Balance, end of period	-	-	-	-	-
<b>Total mineral properties and deferred exploration costs</b>	<b>\$ 847,375</b>	<b>\$ 615,047</b>	<b>\$ 847,375</b>	<b>\$ 615,047</b>	<b>\$ 847,375</b>

**BISON GOLD EXPLORATION INC.**  
(A Development Stage Company)

**NOTES TO FINANCIAL STATEMENTS**

Six Months Ended June 30, 2007

**(Unaudited)**

---

**1. BASIS OF PRESENTATION AND GOING CONCERN**

Bison Gold Exploration Inc. (the "Company" or "Bison") was incorporated on April 18, 2005 in Ontario and carries on business in one segment, being the acquisition, exploration and development of properties for mining of precious and base metals. The Company has not earned any revenue to date from its operations and is therefore considered to be in the development stage. The amounts shown as mineral properties and deferred exploration expenditures do not necessarily represent present or future values.

The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2007 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2007.

The balance sheet at December 31, 2006 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for complete financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended December 31, 2006. For further information, refer to the financial statements and notes thereto included in the Company's annual financial statements for the year ended December 31, 2006.

These financial statements have been prepared on a going concern basis, which presumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future.

The recoverability of the costs incurred to date on mining properties and deferred exploration expenditures is dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, 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 and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write-downs to the carrying value of the mineral properties.

Financial instruments, comprehensive income (loss) and hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective January 1, 2007.

**BISON GOLD EXPLORATION INC.**  
(A Development Stage Company)

**NOTES TO FINANCIAL STATEMENTS**

Six Months Ended June 30, 2007

**(Unaudited)**

---

**1. BASIS OF PRESENTATION AND GOING CONCERN (Continued)**

(a) Financial instruments - recognition and measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

(b) Comprehensive income (loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

(d) Impact upon adoption of Sections 1530, 3855 and 3865

The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period commencing on January 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.



**BISON GOLD EXPLORATION INC.**  
(A Development Stage Company)

**NOTES TO FINANCIAL STATEMENTS**

Six Months Ended June 30, 2007

**(Unaudited)**

---

**2. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS**

The Company originally entered into the joint venture agreement on January 31, 2002 with Cypress Development Corp. ("Cypress") to continue exploration of the Gunman property in White Pine Country, Nevada. As at March 31, 2007, the Company held 26.87% interest and the joint venture partner holds a 73.13% interest. The Company had been requested to participate in an exploration program by making a payment of approximately \$41,000 that is required to maintain its current proportionate interest in the joint venture. On May 14, 2007, the Company advised its joint venture partner on the Gunman property that it would not be participating further in the exploration program. As a result of choosing not to participate, the Company's interest was diluted to approximately 15% following successful completion of a proposed work program, the estimated cost of which is \$440,000USD. In light of this decision by management, the carrying value of this property has been fully written down.

The Gunman property consists of 24 lode claims. There is currently a net smelter royalty of 2% on the claims. The Company, along with the other interest holders, has an option to purchase 1/4 of the net smelter royalty for US\$500,000 or 1/2 of the royalty for US\$1,000,000.

**3. NOTES PAYABLE**

\$30,060 of the notes payable bear interest at 8% per annum, are unsecured and have no specific terms of repayment. The note was demanded in 2005 which the Company has not paid. (See note 8).

\$30,000 of the notes payable is to a related party. It is payable on demand, unsecured and interest free. (See note 7).

**BISON GOLD EXPLORATION INC.**  
(A Development Stage Company)

**NOTES TO FINANCIAL STATEMENTS**

Six Months Ended June 30, 2007

**(Unaudited)**

**4. SHARE CAPITAL**

**(a) Capital**

**Authorized:** unlimited common shares

**Issued:**

COMMON SHARES	NUMBER OF SHARES	VALUE
Balance at December 31, 2006, and June 30, 2007	20,462,502	\$ 1,434,335

On February 5, 2007 the Company announced its intention to complete a private placement consisting of 2.5 million units for aggregate gross proceeds of \$2.3 million. Subsequent to this announcement, management decided not to proceed with the private placement, pending improved market conditions for the offering.

**(b) Stock options**

A summary of the Company's stock option activity for the period ended June 30, 2007 is as follows:

	Number of Options	Weighted- Average Exercise Price
Balance, December 31, 2006 and June 30, 2007	1,310,000	\$ 0.50

The weighted-average remaining contractual life and weighted-average exercise price of options outstanding and of options exercisable as at June 30, 2007 are as follows:

Exercise Price	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
\$0.50	1,310,000	\$0.50	3.49	1,310,000	\$0.50

**BISON GOLD EXPLORATION INC.**  
(A Development Stage Company)

**NOTES TO FINANCIAL STATEMENTS**

Six Months Ended June 30, 2007

**(Unaudited)**

---

**5. LOSS PER SHARE**

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is computed using the treasury stock method. Stock options outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti-dilutive.

**6. INCOME TAX INFORMATION**

The estimated taxable income for the period ended is \$nil. Based on the level of historical taxable income it cannot be reasonably estimated at this time if it is more likely than not the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation allowance.

The estimated taxable temporary difference valuation allowance will be adjusted in the period in which it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the December 31, 2006 audited financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these financial statements.

**7. RELATED PARTY TRANSACTIONS**

On May 15, 2007 the Corporation received a loan in the amount of \$30,000 from Mr. W. Dale Dunlop, a current Director of the Corporation. The proceeds of the loan were used to fund the Corporation's operations. The loan is unsecured, interest free and payable upon demand.

**8. COMMITMENTS AND CONTINGENCIES**

- a) In fiscal 2006, there was a statement of claim filed against the Company, which continues to be accrued in note three. The Plaintiff has demanded repayment of the Promissory Note, but the Company has not settled the debt. The Company remains in negotiations with the creditor to settle the liability by the issue of common shares.
- b) The Company continues to negotiate with its Burntwood Joint Venture Partner. In fiscal 2006 the partner asserted that they believed that the Company was liable to participate in certain exploration costs and that the lack of the Company's participation caused its joint venture interest to decline to 11.44%. The Company disputes this position and continues to discuss the matter with its partner with the intent of achieving a resolution. The Company calculates the company's joint venture interest to be approximately 12.08%.

**9. SUBSEQUENT EVENTS**

The Company completed a \$250,000 secured convertible loan financing in August 2007. The loan is convertible into units at a price of \$0.10 per unit. Each unit consists of one common share and one half of one common share purchase warrant. Each full warrant will entitle the holder thereof to purchase an additional common share of the Company at \$0.15 per share for a period of two years. The loan is secured by a general security agreement on all present and future movable property of Bison.