BISON GOLD RESOURCES INC.

FINANCIAL STATEMENTS

December 31, 2012 and 2011

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. These financial statements contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors reviews the results of the annual audit and the financial statements prior to submitting the financial statements to the Board for approval.

The Company's auditors, MSCM LLP, are appointed by the shareholders to conduct an audit and their report follows.

Signed: ***"Amir Mousavi"***	Signed: ***"Chris Carmichael"***
Chief Executive Officer	Chief Financial Officer

Toronto, Ontario
April 26, 2013

Independent Auditor's Report

To the Shareholders of
Bison Gold Resources Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Bison Gold Resources Inc., which comprise the balance sheets as at December 31, 2012 and December 31, 2011, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bison Gold Resources Inc. as at December 31, 2012 and 2011, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which raises substantial doubt about the Company's ability to continue as a going concern.

Signed: "***MSCM LLP***"

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
April 26, 2013

BISON GOLD RESOURCES INC.

BALANCE SHEETS

		December 31, 2012		December 31, 2011
Assets				
Current assets				
Cash and short term deposits	$	894,279	$	3,571,106
Share subscriptions receivable (Note 9(a)(x))		29,800		236,600
HST/GST receivable		87,968		262,118
Prepaid expenses and sundry receivables		5,156		14,210
		1,017,203		4,084,034
Equipment (Note 5)		6,717		12,197
Exploration advance		-		100,000
Mineral properties and deferred exploration costs (Note 6)		10,262,120		7,192,829
	$	11,286,040	$	11,389,060
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Notes 12 and 13(b))	$	681,886	$	247,443
Deferred premium on flow through shares (Note 7)		115,612		870,727
		797,498		1,118,170
Deferred income tax liability (Note 11)		1,174,980		692,600
		1,972,478		1,810,770
Equity				
Share capital (Note 9(a))		13,099,529		12,426,455
Units to be issued		200,000		-
Contributed surplus		3,144,362		2,820,069
Deficit		(7,130,329)		(5,668,234)
		9,313,562		9,578,290
	$	11,286,040	$	11,389,060

The accompanying notes are an integral part of these financial statements.

Going Concern (Note 1)
Commitments and Contingencies (Note 13)
Subsequent Events (Note 14)

Approved by the Board of Directors

Signed: ***"Amir Mousavi"***
Director

Signed: ***"Chris Carmichael"***
Director

BISON GOLD RESOURCES INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended December 31		2012		2011
Expenses				
Audit and legal fees	$	363,685	$	41,305
Consulting fees (Note 12)		461,436		561,464
Part XII.6 tax (Note 13(b))		31,529		10,173
Tax indemnity (Note 13(b))		60,000		-
Insurance		6,874		7,688
Interest and bank charges (Note 12)		8,602		74,587
Investor relations		-		300
Office and general		37,819		157,545
Rent (note 12)		21,065		24,000
Salaries		61,769		13,993
Stock-based compensation (Note 9(b))		219,314		715,427
Directors fees		66,250		-
Transfer agent, listing and filing fees		47,195		63,145
Travel and promotion		88,199		342,859
Depreciation		5,119		4,615
Write-down of mineral properties and deferred exploration costs (note 6)		380,770		-
		1,859,626		2,017,101
Other income and expenses				
Interest income		(13,965)		(17,294)
Loss on disposal of capital assets		4,781		-
Premium paid on flow-through shares		(870,727)		(535,340)
Loss for the year before income tax		979,715		1,464,467
Deferred income tax provision (note 11)		482,380		468,700
Net loss and comprehensive loss for the year	$	1,462,095	$	1,933,167
Weighted average number of common shares outstanding – basic and diluted		86,297,781		61,670,631
Basic and fully diluted loss per share (Note 10)	$	(0.02)	$	(0.03)

The accompanying notes are an integral part of these financial statements.

BISON GOLD RESOURCES INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31	2012	2011
Share capital		
Balance, beginning of year	$ 12,426,455	$ 7,613,923
Shares issued on private placements	914,000	4,878,520
Value of warrants issued	(104,979)	(257,744)
Shares issued on exercise of stock options	-	53,541
Shares issued on exercise of warrants	-	1,500,896
Premium paid on flow-through shares	(115,614)	(934,648)
Costs of shares issued	(20,333)	(428,033)
Balance, end of year	13,099,529	12,426,455
Units to be issued		
Balance, beginning of year	-	-
Units to be issued on private placements (note 14(a))	200,000	-
Balance, end of year	200,000	-
Contributed surplus		
Balance, beginning of year	2,820,069	2,052,040
Stock-based compensation	219,314	715,427
Exercise of stock options	-	(16,521)
Exercise of common share purchase warrants	-	(252,396)
Warrants issued as cost of shares issued	-	63,775
Warrants issued on private placements	104,979	257,744
Balance, end of year	3,144,362	2,820,069
Deficit		
Balance, beginning of year	(5,668,234)	(3,735,067)
Net loss for the year	(1,462,095)	(1,933,167)
Balance, end of year	(7,130,329)	(5,668,234)
Total shareholders' equity, end of year	$ 9,313,562	$ 9,578,290

The accompanying notes are an integral part of these financial statements.

BISON GOLD RESOURCES INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31		2012		2011
Cash flow from operating activities				
Net loss for the year	$	(1,462,095)	$	(1,933,167)
Items not affecting cash:				
Depreciation		5,119		4,615
Loss on disposal of capital assets		4,781		-
Deferred income tax provision		482,380		468,700
Stock-based compensation		219,314		715,427
Premium paid on flow-through shares		(870,727)		(535,339)
Write-down of mineral properties and deferred exploration costs		380,770		-
Changes in non-cash working capital:				
HST/GST receivable		174,150		(200,292)
Prepaid expenses and sundry receivables		9,054		6,174
Accounts and interest payable and accrued liabilities		434,441		(22,355)
		(622,813)		(1,496,237)
Cash flow from investing activities				
Mineral property and deferred exploration expenditures		(3,350,060)		(3,259,467)
Government grant relating to mining expenditures		-		95,829
Purchase of equipment		(4,421)		(7,526)
		(3,354,481)		(3,171,164)
Cash flow from financing activities				
Proceeds from issue of common shares and warrants		1,120,800		5,890,420
Costs associated with issuance of common shares		(20,333)		(327,239)
Units to be issued		200,000		-
Repayment of convertible loans		-		(750,000)
Proceeds of convertible loan		-		400,000
		1,300,467		5,213,181
(Decrease) increase in cash and short-term deposits		(2,676,827)		545,780
Cash and short-term deposits, beginning of year		3,571,106		3,025,326
Cash and short-term deposits, end of year	$	894,279	$	3,571,106
Interest received	$	13,965	$	17,294
Non-cash transactions:				
Warrants issued as cost of shares issued	$	-	$	63,775

The accompanying notes are an integral part of these financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of Business

Bison Gold Resources 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 costs do not necessarily represent present or future values.

Bison Gold Resources Inc. is a publicly traded company incorporated and domiciled in Canada. The Company's registered office is as follows: 201-55 York Street, Toronto, ON M5J 1R7. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol BGE.

The policies applied in these financial statements are based on IFRS policies effective as of April 26, 2013, the date the Board of Directors approved the financial statements.

Going Concern

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 for the foreseeable future.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds in the past, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These financial statements have been prepared on a going concern basis that assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in mineral properties, the ability of the Company to obtain the necessary financing to continue the development of its mineral properties, and upon future profitable production. These circumstances may cast substantial doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to a going concern.

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 and deferred exploration costs.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance with International Financial Reporting Standards ("IFRS")

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

Basis of preparation

These financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term deposits

The Company considers short-term deposits to be financial instruments which can be redeemed by the Company, without significant penalty, on demand. As at December 31, 2012 the Company held $NIL (2011 - $1,367,294) in short-term deposits.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category of financial asset is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of loss.

Available-for-sale – These assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statement of loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company's accounting policy for each category of financial liability is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of loss.

Other financial liabilities - This category includes accounts payable and accrued liabilities which are recognized at amortized cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments - continued

Financial liabilities - continued

Bison's financial instruments include cash and short-term deposits, share subscription and sundry receivables and accounts payable and accrued liabilities. Cash and short-term deposits are classified as fair value through profit or loss and are classified within the level 1 (unadjusted quoted prices in active markets for identical assets) of the fair value hierarchy. The receivables are classified as loans and receivables and accounts payable and accrued liabilities as other financial liabilities, all of which are measured at amortized cost.

Mineral properties and deferred exploration costs

Mineral property acquisition costs and related direct exploration and development expenditures, net of recoveries, are deferred until the properties are placed into production. These net costs will be amortized against income using the unit-of-production method based on estimated recoverable reserves if the properties are brought into commercial production, or written off if the properties are abandoned or sold. The cost of mineral properties includes any cash consideration paid and the fair market value of shares issued, if any, on the acquisition of property interests. The recorded amounts of property acquisition costs and their related deferred exploration costs represent actual expenditures incurred and are not intended to reflect present or future values.

The recoverability of amounts shown for mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future profitable production or proceeds from the disposition thereof.

Impairment of mineral properties and deferred exploration costs

At the end of each reporting period the carrying amounts of Bison's mineral properties are reviewed to determine whether there is an indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately.

Government grants

The Company makes periodic applications for financial assistance under available government incentive programs and tax credits related to the mineral property expenditures. The Company recognizes government assistance on an accrual basis when all requirements to earn the assistance have been completed and receipt is reasonably assured. Government grants relating to mineral expenditures are reflected as a reduction of the cost of the property.

Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Where an item of equipment comprises major components having different useful lives, they are accounted for as separate items of equipment.

The gain or loss arising on the disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment - continued

Expenditure to replace a component of an item of equipment that is accounted for separately is capitalized with the existing carrying amount of the component written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in the statement of loss as incurred.

Depreciation is provided over an asset's expected useful life using the following methods and annual rates:

Computers and equipment	-	30 % declining balance
Furniture and fixtures	-	30 % declining balance
Computer software	-	100 % straight-line

Impairment of equipment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the property and equipment at the date the impairment is reversed does not exceed what the cost less accumulated depreciation would have been had the impairment not been recognized.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, and the Company intends to settle tax liabilities and assets on a net basis or expects the tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Flow-through shares

The Company finances a portion of its exploration activities through the issuance of flow-through shares. On the date of issuance of the flow-through shares, the premium (the proceeds received for the flow-through shares in excess of the closing market price of the Company's common shares) is allocated to liabilities.

Under the terms of the flow-through common shares, the tax attributes of the related expenditures are renounced to investors. The premium liability is reduced pro-rata based on the percentage of flow-through expenditures renounced and spent in comparison to renunciations required under the terms of the flow-through share agreement. The reduction to the premium liability in the period of renunciation is recognized through profit or loss as other income.

Upon renunciation of the related expenditures, the Company would normally recognize a deferred tax liability and expense with respect to the tax value of the costs renounced. Where the Company has unrecognized tax benefits from loss carry forwards and tax pools available for deduction, the Company will recognize these assets to offset the deferred tax liabilities resulting in an offsetting recovery of deferred income taxes being recognized through profit or loss in the reporting period.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2012 and December 31, 2011.

Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using the unit-of-production method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and warrants outstanding are not included in the computation of diluted loss per share if their inclusion would be anti-dilutive.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(i) Impairment of mineral properties

When there are indications that mineral properties may be impaired, Bison is required to estimate the property's recoverable amount. Recoverable amount is the greater of value-in-use and fair value less costs to sell. Determining the value-in-use requires Bison to estimate expected future cash flows associated with the property and a suitable discount rate in order to calculate present value. During the year ended December 31, 2012 the Company recorded an impairment loss via a write-down of mineral properties and deferred exploration costs of $380,770 (2011 - $nil).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical judgments used in applying accounting policies

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Future Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's financial statements, but which may affect the financial statements are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and subsequently revised October 2012, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2015, and has not yet considered the potential impact of the adoption of IFRS 9.

3. CAPITAL DISCLOSURES

Bison's capital is composed of shareholders' equity. Bison manages its capital structure and makes adjustments to it, based on the funds available to Bison, in order to support the acquisition, exploration and development of mineral properties. The properties in which Bison currently has an interest are in the exploration stage; as such Bison is dependent on external financing to fund its activities (see note 1). In order to carry out the planned exploration and pay for administrative costs, Bison will spend its existing working capital and raise additional amounts as needed. Bison will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Bison is not subject to any externally imposed capital requirements other than its requirement to meet certain flow-through share expenditures, as explained in note 13.

4. FINANCIAL RISK FACTORS

Bison's risk exposure and the impact on its financial instruments are summarized below:

Credit Risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment/contractual obligations. Bison is exposed to credit risk on its cash and short-term deposits, share subscription receivable and HST/GST receivables. Bison has deposited the cash and short-term deposits with reputable Canadian financial institutions, from which management believes the risk of loss is minimized. Management believes that the credit risk concentration with respect to share subscription receivable and HST/GST receivables is remote.

Liquidity Risk
Bison's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at December 31, 2012, Bison has current assets of $1,017,203 (December 31, 2011 - $4,084,034) to settle current financial liabilities of $797,498 (December 31, 2011 - $1,118,170) The Company needs to raise additional funds in order to meet future expenditures and cover administrative costs (see note 1).

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

Interest Rate Risk
Bison has cash balances and short-term deposits. Bison's current policy is to invest excess cash in investment-grade short term deposit certificates issued by its banking institutions. The risk the Company will realize a loss as a result of a decline in the fair value of short-term deposits is limited due to the short-term nature of these investments.

Commodity Price Risk
The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals.

5. EQUIPMENT

December 31, 2012	Cost	Accumulated Depreciation	Net Book Value
Computers and equipment	$ 2,520	$ (605)	$ 1,915
Furniture and fixtures	11,410	(6,608)	4,802
Computer software	1,332	(1,332)	-
	$ 15,262	$ (8,545)	$ 6,717

December 31, 2011	Cost	Accumulated Depreciation	Net Book Value
Computers and equipment	$ 16,541	$ (8,117)	$ 8,424
Furniture and fixtures	8,060	(4,550)	3,510
Computer software	1,060	(797)	263
	$ 25,661	$ (13,464)	$ 12,197

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	2012	2011	Cumulative Since inception on April 18, 2005
Central Manitoba Bissett			
Balance, beginning of year	$ 6,827,089	$ 3,702,724	$ -
Acquisition costs	-	-	481,010
Consulting and other	703,388	410,067	1,892,304
Drilling	1,810,433	2,169,279	6,022,238
Laboratory analysis	393,490	382,612	1,034,862
Reports	-	-	104,581
Transportation and accommodation	449,620	214,542	795,170
Government grants	-	(52,135)	(146,145)
Total expenditures during the year	3,356,931	3,124,365	-
Balance, end of year	10,184,020	6,827,089	10,184,020
Apex			
Balance, beginning of year	361,381	322,108	-
Consulting and other	-	64,800	196,445
Government grants	-	(43,695)	(84,518)
Transportation and accommodation	375	13,168	73,438
Reports	14,655	5,000	191,046
Total expenditures during the year	15,030	39,273	376,411
Write down of property	(376,411)	-	(376,411)
Balance, end of year	-	361,381	-
Cryderman			
Balance, beginning of year	4,359	4,359	-
Reports	-	-	3,600
Transportation and accommodation	-	-	759
Write down of property	(4,359)	-	(4,359)
Balance, end of year	-	4,359	-
Ross River			
Balance, beginning of year	-	-	-
Linecutting	78,100	-	78,100
Balance, end of year	78,100	-	78,100
Total mineral properties and deferred exploration costs	$ 10,262,120	$ 7,192,829	$ 10,262,120

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

Central Manitoba Bissett (Gold Property)
The Company owns a 100% interest in 22 claims located approximately 160 kilometres northeast of Winnipeg, Manitoba. In 2009 the Company began follow-up drilling on its 2007-2008 drill program.

Apex/Miner (Gold Property)
The Company owns a total of 40 claims (Apex - 17, Miner - 23) in the Snow Lake area of Manitoba. W. Bruce Dunlop Ltd. (a shareholder) and Bart Kobar hold 2 separate net smelter royalties of 1.25% with an option for the Company to buy the royalties down to 0.5% for payments of $200,000 for each area. The Company recorded an impairment write down on this property totaling $376,411.

Cryderman (Gold Property)
The Company owns a 100% interest in 3 claims located approximately 145 kilometres northeast of Winnipeg, Manitoba. The Company recorded an impairment write down on this property totaling $4,359.

Ross River (Gold Property)
During the year the Company acquired 100% interest in 66 claims located in Southeastern Manitoba.

7. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The following summarizes the deferred premium on flow-through transactions for the years ended December 31, 2012 and 2011.

		2012		2011
Balance, beginning of year	$	870,727	$	471,418
Recognized on issuance of flow-through shares		115,614		934,649
Recorded to statement of loss		(870,727)		(535,340)
Balance, end of year	$	115,612	$	870,727

8. CONVERTIBLE LOANS

On January 17, 2011, Bison completed a 12-month, $400,000 secured convertible loan (the “2011 Loan”) financing with GC Global. The 2011 Loan bore interest of 12% per annum. The 2011 Loan was convertible into units at a price of $0.235 per unit. Each unit consisted of one common share and one half of one common share purchase warrant. Each full warrant entitled GC to purchase an additional common share of the Company at $0.30 per share for a period of 12 months. The proceeds of the 2011 Loan were used for general working capital purposes. The 2011 Loan was secured by a general security agreement on all present and future movable property of Bison. The convertible loan was repaid in December 2011.

9. SHARE CAPITAL

(a) Capital

Authorized: unlimited common shares

Issued:

Common Shares	Number of Shares		Value
Balance at January 1, 2011	54,809,029	$	7,613,923
Private placements (i to iv)	19,382,263		4,878,520
Value of warrants (i to iv)	-		(257,744)
Share issue costs (vii)	-		(428,033)
Premium paid on issuance of flow-through shares (I, iii and iv)	-		(934,648)
Exercise of warrants (ix)	11,151,665		1,500,896
Exercise of stock options (viii)	354,166		53,541
Balance at December 31, 2011	85,697,123		12,426,455
Private placement (v to vi)	16,885,714		914,000
Value of warrants (v to vi)	-		(104,979)
Premium paid on issuance of flow through shares (v to vi)	-		(115,614)
Share issue costs (vii)	-		(20,333)
Balance at December 31, 2012	102,582,837	$	13,099,529

(i) On April 27, 2011, the Company issued 3,502,400 flow-through common shares at a price of $0.45 (for gross proceeds of $1,576,080 and the Company issued 1,142,400 units at a price of $0.35 per unit for gross proceeds of $399,840. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.50, and has an expiry period of two years from issuance. The warrants were valued at $77,533 using the Black-Scholes model. The premium paid by the purchaser on the flow through shares totaled $595,408.

(ii) On June 20, 2011, the Company issued 485,713 Units at a price of $0.35 per unit for gross proceeds of $170,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.50, and has an expiry period of two years from issuance. The warrants were valued at $43,534 using the Black-Scholes model.

(iii) On December 23 2011, the Company closed a non-brokered private placement with MineralFields Group of 7,500,000 flow-through common shares at $0.20 per share for gross proceeds of $1,500,000. In connection with the financing, agents received broker warrants in the amount of 600,000 warrants, exercisable into common shares of the Company at a price of $0.25 per share until December 23, 2013. The broker warrants were valued at $45,544 using the Black-Scholes model. The Company also raised an additional $667,600 through the issuance of 1,258,000 flow-through shares and 2,600,000 units at $0.16 per unit. Each unit consists of common shares and one half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of $0.25 per share until December 23, 2013. The warrants were valued at $120,705 using the Black-Scholes model. All common shares issued will be subject to a four-month hold period. Agents received broker compensation warrants equal to 8 per cent of the number of securities sold by it in the financing. The broker compensation warrants were valued at $18,395 using the Black-Scholes model. The premium paid by the purchaser on the flow-through shares issued in December totaled $262,740.

9. SHARE CAPITAL (CONTINUED)

(a) Capital (continued)

(iv) On December 29, 2011 the Company issued 2,000,000 common shares on a flow-through basis at $0.20 per share to subscribers for gross proceeds of $400,000 with D&D Securities Inc. acting as agent pursuant to an agency agreement entered into with the Company on December 23, 2011. The Company also raised an additional $165,000 through the issuance of 550,000 flow-through shares and 343,750 units at $0.16 per unit. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.25 until December 29, 2013. The warrants were valued at $15,961 using the Black-Scholes model. The premium paid by the purchaser on the flow-through shares issued in December totaled $76,500.

(v) On December 17, 2012, the Company issued 12,600,000 units at a price of $0.05 for gross proceeds of $630,000 and the Company issued 3,060,000 flow-through common shares at a price of $0.07 for gross proceeds of $214,200. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.125, and has an expiry date of December 17, 2014. The warrants were valued at $97,728 using the Black-Scholes model. The premium paid by the purchasers of the flow-through shares totaled $107,100.

(vi) On December 31, 2012, the Company issued 800,000 units at a price of $0.05 for gross proceeds of $40,000 and the Company issued 425,714 flow-through common shares at a price of $0.07 for gross proceeds of $29,800. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.125, and has an expiry date of December 31, 2014. The warrants were valued at $7,251 using the Black-Scholes model. The premium paid by the purchasers of the flow-through shares totaled $8,514.

(vii) The Company incurred share issue costs in 2012 in the amount of $20,333 (2011 - $428,033).

(viii) During the year ended December 31, 2011, 325,000 options and 29,166 options were exercised at $0.10 and $0.155 respectively. The fair value of the options exercised, being $16,521 was transferred from contributed surplus to share capital on the exercise.

(ix) During the year ended December 31, 2011 8,596,110, 2,500,000 and 55,555 common share purchase warrants were exercised at $0.10, $0.15 and $0.25, respectively. The fair value of the share purchase warrants exercised, being $252,356 was transferred from contributed surplus to share capital on the exercise.

(x) As at December 31, 2012 proceeds from the issuance of Units in the amount of $29,800 (December 31, 2011 - $236,000) were received subsequent to year end. These amounts have been classified on the balance sheet as share subscriptions receivable.

(b) Stock option plan

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to qualified directors, officers and consultants of the Company. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. One sixth of the options will vest every three months over an eighteen month period. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued and outstanding shares.

9. SHARE CAPITAL (CONTINUED)

(b) Stock option plan (continued)

A summary of the Company's stock option activity for the years ended December 31, 2012 and 2011 is as follows:

	Number Of Options		Weighted-Average Exercise Price
Outstanding, January 1, 2011	2,916,667	$	0.13
Issued (i and ii)	3,040,000		0.31
Exercised (v)	(354,166)		0.10
Expired/cancelled	(133,334)		0.16
Outstanding, December 31, 2011	5,469,167		0.23
Issued (iii and iv)	700,000		0.30
Expired/cancelled	(3,081,667)		0.24
Outstanding, December 31, 2012	3,087,500	$	0.24

(i) On February 28, 2011, the Company issued 2,090,000 options at a price of $0.36 per share expiring February 28, 2016.

(ii) On September 6, 2011, the Company issued 950,000 options at a price of $0.20 per share expiring September 6, 2016.

(iii) On January 17, 2012, the Company issued 100,000 options at a price of $0.17 per share expiring January 17, 2017.

(iv) On May 10, 2012, the Company issued 425,000 options, 75,000 options and 100,000 options at prices of $0.36 per share, $0.35 per share and $0.16 per share, respectively. The options expire on May 10, 2017.

(v) During 2012, no options (2011 – 325,000 options and 29,166 options were exercised at $0.10 and $0.155 respectively) were exercised.

The weighted-average remaining contractual life and weighted-average exercise price of options outstanding and of options exercisable as at December 31, 2012 are as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.10	375,000	$0.10	1.68	375,000	$0.10
$0.155	712,500	$0.155	2.57	712,500	$0.155
$0.36	750,000	$0.36	3.16	750,000	$0.36
$0.20	550,000	$0.20	3.68	458,333	$0.20
$0.17	100,000	$0.17	4.07	50,000	$0.17
$0.35	75,000	$0.35	4.36	25,000	$0.35
$0.36	425,000	$0.36	4.36	141,665	$0.36
$0.16	100,000	$0.16	4.36	33,333	$0.16
Total	3,087,500	$0.24	3.20	2,545,831	$0.23

9. SHARE CAPITAL (CONTINUED)

(b) Stock option plan (continued)

In fiscal 2012 $219,314 (2011 - $715,427) was recorded as stock-based compensation expense for the stock options vested during the year.

The fair value of the 700,000 (2011 – 3,040,000) stock options granted during the year has been estimated at $78,364 (2011 - $807,905) using the Black-Scholes model for pricing options. The following assumptions were used:

	2012	2011
Risk free interest rate	1.48%	2.44%
Dividend yield	Nil	Nil
Expected stock volatility	124%	124%
Weighted-average expected life (years)	5	5

(c) Warrants

Details of warrants outstanding are as follows:

	Number of Warrants		Exercise Price/ Warrant	Expiry Date
Balance, January 1, 2011	14,928,570	$	0.17	
Issued (note 9(a)(i))	571,200		0.50	April 27, 2013
Issued (note 9(a)(ii))	242,856		0.50	June 20, 2013
Issued (note 9(a)(iii))	1,900,000		0.25	December 23, 2013
Issued (note 9(a)(iii))	208,000		0.25	December 23, 2013
Issued (note 9(a)(iv))	171,875		0.25	December 29, 2013
Exercised (i)	(11,151,665)		0.11	
Expired (ii)	(1,933,636)		0.40	
Balance, December 31, 2011	4,937,200		0.29	
Issued (note 9(a)(v))	6,300,000		0.125	December 17, 2014
Issued (note 9(a)(vi))	400,000		0.125	December 31, 2014
Expired (iii)	(1,843,270)		0.25	
Balance, December 31, 2012	9,793,932	$	0.18	

(i) During fiscal 2011, 8,596,110, 2,500,000 and 55,555 common share purchase warrants were exercised at $0.10, $0.15 and $0.25, respectively.

(ii) On September 17, 2011, 490,000 common share purchase warrants with an exercise price of $0.10 expired. On December 31, 2011, an additional 1,443,636 common share purchase warrants with an exercise price of $0.50 expired.

(iii) On September 20, 2012, 1,650,556 common share purchase warrants with an exercise price of $0.25 expired. On December 31, 2012, an additional 182,000 and 10,714 common share purchase warrants with an exercise price of $0.25 and $0.35, respectively, expired.

9. SHARE CAPITAL (CONTINUED)

(c) Warrants (continued)

The fair value of the warrants issued in 2012 has been determined to be $104,979 (2011 - $257,744) using the Black-Scholes model based on the following assumptions:

	2012	2011
Risk free interest rate	1.13%	0.93% - 2.44%
Dividend yield	Nil	Nil
Expected stock volatility	125%	124%
Weighted-average expected life (years)	2.0	2.0

10. 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, warrants and convertible debt outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti-dilutive.

11. INCOME TAX INFORMATION

The following table shows the components of the current and deferred income tax expense:

		2012		2011
Current tax provision				
Current expense	$	-	$	-
Deferred tax expense				
Origination of temporary differences		496,620		408,300
Change in unrecognized deductible temporary differences		(14,240)		60,400
	$	482,380	$	468,700

The reconciliation of the Canadian federal and provincial statutory income tax rate on the net loss for the years ended December 31, 2012 and 2011 is as follows::

		2012		2011
Loss before recovery of income taxes	$	979,715	$	1,464,467
Expected income tax recovery	$	(259,630)	$	(413,700)
Permanent differences		751,700		837,900
Tax rate changes and other adjustments		4,550		(15,900)
Effects of changes in temporary differences not recognized		(14,240)		60,400
Income tax provision reflected in the statement of loss	$	482,380	$	468,700

The 2012 statutory tax rate of 26.5% differs from the 2011 statutory tax rate of 28.25% because of the reduction in federal and provincial substantively enacted tax rates.

11. INCOME TAX INFORMATION (CONTINUED)

Deferred Income Tax

The following table summarizes the components of deferred income tax:

		2012		2011
Deferred tax assets				
Non-capital losses	$	1,490,990	$	1,063,600
Investment tax credits		8,260		-
		1,499,250		1,063,600
Deferred tax liabilities				
Mineral properties		2,674,230		1,756,200
Deferred tax liabilities – net, to be recovered after more than twelve months	$	1,174,980	$	692,600

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

		2012		2011
Balance, beginning of year	$	692,600	$	223,900
Recognized in profit/loss		482,380		468,700
Balance, end of year	$	1,174,980	$	692,600

Unrecognized Deferred Tax Assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

		2012		2011
Deferred income tax assets				
Equipment and intangible assets	$	67,600	$	12,680
Share issuance costs	$	452,100	$	628,820
Non-capital losses carried forward	$	6,054,400	$	4,674,500

11. INCOME TAX INFORMATION (CONTINUED)

Unrecognized Deferred Tax Assets (Continued)

The non-capital losses carried forward expire as noted in the table below and share issue costs will be fully amortized in 2016, The remaining deductible temporary differences may be carried forward indefinitely.

The Company's non-capital income tax losses expire as follows:

2014	$	134,000
2015		286,000
2026		376,200
2027		439,200
2028		594,300
2029		562,900
2030		923,500
2031		1,358,300
2032		1,380,000
	$	**6,054,400**

12. RELATED PARTY TRANSACTIONS

(a) On January 17, 2011, Bison completed a 12-month, $400,000 secured convertible loan with GC-Global Capital Corp. ("GC") as further detailed in note 8. The Company was related to GC by virtue of a common officer and director up to August 27, 2010. During the year ended December 31, 2012, interest expense of $nil (2011 - $42,740) was incurred with respect to this loan. The loan was repaid in December, 2011. Interest expense for the year ended December 31, 2011 also includes $30,263 paid to GC related to an additional loan which was repaid in September 2011.

(b) The Company paid $8,000 (2011 - $24,000) to GC and $13,065 (2011 - $nil) to a company related by common management in rent for the year ended December 31, 2012. The Company no longer has any obligations to GC for rent.

(c) The Company paid $185,000 to Directors and other members of key management which were recorded as additions to mineral properties during the year ended December 31, 2012 (2011 - $NIL).

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the year, not included in mineral properties, was as follows:

		2012		2011
Salaries, consulting and benefits	$	262,500	$	488,776
Stock-based compensation		77,807		674,488
	$	340,307	$	1,163,264

As at December 31, 2012, accounts payable and accrued liabilities includes $153,226 (2011 - $Nil) due to directors.

13. COMMITMENTS AND CONTINGENCIES

(a) The Company's mineral and exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(b) The Company was committed to spend $3,837,680 by December 31, 2012 on Canadian Exploration Expenditures ("CEE"). The Company did not spend all funds prior to December 31, 2012. Amounts which were unspent at the end of 2012 were subject to an additional tax of 10% on the unspent amount. As at December 31, 2012 the Company had spent $3,727,718 of the $3,837,680 CEE commitment. The total tax liability amounted to $19,029 which was included in accrued liabilities as at December 31, 2012. As a result of not meeting the CEE expenditure requirement the Company was required to indemnify flow-through shareholders for an amount equal to any tax payable as a result of the reduction of previously renounced CEE. The Company estimated the liability resulting from the indemnification, using the highest marginal tax rate, as $60,000 which was included in accrued liabilities as at December 31, 2012.

(c) The Company is committed to spending $244,000 associated with the flow-through offerings that were completed in December 2012 (notes 9(a)(v) and 9(a)(vi)) by December 31, 2013. The Company intends to fulfill all flow-through commitments by December 31, 2013.

14. SUBSEQUENT EVENTS

(a) On January 18, 2013 the Company issued 7,300,000 common shares at $0.05 per share to subscribers for gross proceeds of $365,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.125 for a period of two years.

(b) On March 21, 2013 the Company issued 2,000,000 common shares at $0.05 per share to subscribers for gross proceeds of $100,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.125 for a period of two years.