
BISON GOLD RESOURCES INC.

FINANCIAL STATEMENTS

**Three and Six months ended June 30, 2012
(Unaudited)**

Management's Responsibility for Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Bison Gold Resources Inc. (the "Company" or "Bison") are the responsibility of the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Ian Campbell
Chairman of Audit Committee

Chris Carmichael
Chief Financial Officer

Toronto, Canada
August 28, 2012

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and six months ended June 30, 2012 have not been reviewed by the Company's auditors

BISON GOLD RESOURCES INC.

BALANCE SHEETS

(Unaudited)	June 30 2012	December 31 2011
Assets		
Current assets		
Cash and short term deposits	\$ 1,232,109	\$ 3,571,106
Accounts receivable	32,500	236,600
HST/GST receivable	269,456	262,118
Prepaid expenses and sundry receivables	20,086	14,210
	1,554,151	4,084,034
Equipment (Note 5)	14,058	12,197
Exploration advance	-	100,000
Mineral properties and deferred exploration costs (Note 6)	10,167,017	7,192,829
	\$ 11,735,226	\$ 11,389,060
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,112,937	\$ 247,443
Premium paid on flow through shares	86,937	870,727
	1,199,875	1,118,170
Deferred income tax liability (Note 9)	692,600	692,600
	1,892,475	1,810,770
Equity		
Share capital (Note 7(a))	12,412,792	12,426,455
Contributed surplus	2,988,560	2,820,069
Deficit	(5,558,601)	(5,668,234)
	9,842,751	9,578,290
	\$ 11,735,226	\$ 11,389,060

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

Going Concern (Note 1)

BISON GOLD RESOURCES INC.

(A Development Stage Company)

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2012	2011	2012	2011
Expenses				
Audit and legal fees	\$ 64,927	\$ 10,372	\$ 79,230	\$ 48,503
Consulting fees (note 10)	104,000	156,575	275,656	261,175
Flow-through interest expense	-	-	6,846	10,173
Insurance	190	2,164	3,674	3,863
Interest and bank charges (note 10)	3,438	22,438	6,218	42,526
Office and general	14,280	34,128	34,970	64,653
Rent	2,000	6,000	8,000	12,000
Salaries	17,440	2,454	36,736	2,454
Stock-based compensation (Note 7(b))	69,609	138,427	168,491	184,627
Transfer agent, listing and filing fees	15,177	14,166	24,795	35,949
Travel and promotion	7,195	61,609	40,472	157,538
Depreciation	1,280	1,062	2,560	2,123
	299,534	449,395	687,647	825,584
Other income and expenses				
Interest income	(5,630)	(4,417)	(13,491)	(4,417)
Premium paid on flow through shares	(457,561)	(154,145)	(783,788)	(225,236)
Income (loss) and comprehensive income (loss) for the period	\$ 163,657	\$ (290,833)	\$ 109,634	\$ (595,930)
Basic and fully diluted income (loss) per share (Note 8)	\$ 0.00	\$ (0.01)	\$ 0.00	\$ (0.01)

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

BISON GOLD RESOURCES INC.

(A Development Stage Company)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	June 30 2012	June 30 2011
Share capital		
Balance, beginning of period	\$ 12,426,455	\$ 7,289,920
Shares issued on private placements	-	2,266,997
Value of warrants issued	-	(121,077)
Shares issued on exercise of stock options	-	15,194
Shares issued on exercise of warrants	-	88,291
Premium paid on flow through shares	-	(587,942)
Costs of shares issued	(13,663)	(103,580)
Balance, end of period	12,412,792	8,847,801
Contributed surplus		
Balance, beginning of period	2,820,069	2,052,040
Stock-based compensation	168,491	184,627
Exercise of stock options	-	(5,111)
Exercise of common share purchase warrants	-	(15,374)
Balance, end of period	2,988,560	2,216,182
Deficit		
Balance, beginning of period	(5,668,233)	(3,057,529)
Net income (loss) for the period	109,634	(595,930)
Balance, end of period	(5,558,599)	(3,653,460)
Total shareholders' equity, end of period	\$ 9,842,751	\$ 7,410,523

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

BISON GOLD RESOURCES INC.

(A Development Stage Company)

STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2012	2011	2012	2011
Cash flow from operating activities				
Net income (loss) for the period	\$ 163,657	\$ (290,832)	\$ 109,634	\$ (595,930)
Items not affecting cash:				
Amortization	1,280	1,062	2,560	2,123
Stock-based compensation	69,609	138,427	168,491	184,627
Premium paid on flow through shares	(457,561)	(154,145)	(783,788)	(225,236)
Changes in non-cash working capital:				
Accounts receivable	(32,500)	(2,913)	204,100	(2,913)
HST/GST receivable	92,832	(83,542)	(7,338)	(90,879)
Prepaid and sundry receivables	7,967	(56,411)	(5,876)	(54,561)
Accounts and interest payable and accrued liabilities	295,798	259,390	965,494	434,488
	141,082	(188,995)	653,277	(348,282)
Cash flow from investing activities				
Mineral property and deferred exploration expenditures	(1,634,695)	(1,324,367)	(2,974,188)	(1,909,217)
Government grant relating to mining expenditures	-	52,135	-	52,135
Purchase of equipment	-	(1,116)	(4,421)	(6,736)
	(1,634,695)	(1,273,348)	(2,978,609)	(1,863,818)
Cash flow from financing activities				
Proceeds from issue of common shares and warrants	-	2,193,837	-	2,228,920
Costs associated with issuance of common shares	-	(119,011)	(13,663)	(103,580)
Proceeds of convertible loan	-	-	-	400,000
	-	2,074,825	(13,663)	2,525,339
Increase (decrease) in cash and short-term deposits	(1,493,614)	612,482	(2,338,995)	313,239
Cash and short-term deposits, beginning of period	2,725,724	2,726,083	3,571,106	3,025,326
Cash and short-term deposits, end of period	\$ 1,232,111	\$ 3,338,564	\$ 1,232,111	\$ 3,338,564
Interest received	\$ 5,630	\$ 4,417	\$ 13,491	\$ 4,417

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

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 unaudited condensed interim financial statements are based on IFRS policies effective as of August 28, 2012, the date the Board of Directors approved the unaudited condensed interim financial statements.

Going Concern

These unaudited condensed interim 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 mineral properties and deferred exploration costs 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 mineral properties and deferred exploration costs. 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 unaudited condensed interim 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

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, including IAS 34, Interim Financial Reporting. The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim financial statements.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. In the preparation of these unaudited condensed interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets

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.

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 each financial position reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. 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 payables and accrued liabilities and convertible loans, all of which are recognized at amortized cost.

Bison's financial instruments include cash and short-term deposits, accounts receivable, accounts payable and accrued liabilities, accrued interest payable and convertible loans. Cash and short-term deposits are classified as fair value through profit or loss. The carrying value of these instruments approximates their fair values due to their short-term nature. Accounts receivable are classified as loans and receivables, accounts payable and accrued liabilities and the convertible loan are classified as other financial liabilities, all of which are measured at amortized cost.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Assets that have an indefinite useful life that are not subject to depreciation or are not available for use are evaluated for impairment annually. 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 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.

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 periods. 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.

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

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 it relates 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 the following temporary differences:

- (i) 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;
- (ii) temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- (iii) temporary differences arising on the initial recognition of goodwill.

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, but they intend to settle tax liabilities and assets on a net basis or their 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.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

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 June 30, 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 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 each balance sheet reporting date, 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 either a unit-of-production or the straight-line 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.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

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 period. 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 unaudited condensed interim 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 unaudited condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited 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.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of exploration and evaluation expenditures incurred on the Company's properties.
- the inputs used in the Black-Scholes option-pricing model for valuing share based payment transactions and share purchase warrants.

Critical accounting judgments

How financial assets and liabilities are categorized is an accounting policy that requires management to make judgments or assessments.

Future Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's unaudited condensed interim 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 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.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

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(Unaudited)

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. 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 11.

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 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. As at June 30, 2012 the Company held short-term investments valued at \$1,052,000 (December 31, 2011 - \$1,367,294). 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 June 30, 2012, Bison has current assets of \$1,554,151 (December 31, 2011 - \$4,084,034) to settle current financial liabilities of \$1,199,875 (December 31, 2011 - \$247,443).

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. Bison monitors the investments it makes and is satisfied with the credit ratings of its banks. 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. The convertible loan had a fixed interest rate and therefore did not result in significant interest rate risk.

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.

BISON GOLD RESOURCES INC.**NOTES TO FINANCIAL STATEMENTS**

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(Unaudited)

5. EQUIPMENT

June 30, 2012	Cost	Accumulated Depreciation	Net Book Value
Computers and equipment	\$ 16,541	\$ (9,381)	\$ 7,160
Furniture and fixtures	12,210	(5,579)	6,631
Computer software	1,332	(1,065)	267
	<u>\$ 30,083</u>	<u>\$ (16,025)</u>	<u>\$ 14,058</u>

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
	<u>\$ 25,661</u>	<u>\$ (13,464)</u>	<u>\$ 12,197</u>

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NOTES TO FINANCIAL STATEMENTS

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(Unaudited)

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	June 30 2012	December 31 2011	Cumulative since inception on April 18, 2005
Central Manitoba Bissett			
Balance, beginning of period	\$ 6,827,089	\$ 3,702,724	\$ -
Acquisition costs	-	-	481,010
Consulting and other	429,199	410,067	1,618,114
Drilling	1,549,086	2,169,279	5,760,891
Laboratory analysis	390,902	382,612	1,032,274
Reports	17,098	-	121,679
Transportation and accommodation	509,803	214,542	855,354
Government grants	-	(52,135)	(146,145)
Total expenditures during the period	2,896,088	3,124,365	9,723,177
Balance, end of period	9,723,177	6,827,089	9,723,177
Apex			
Balance, beginning of period	361,381	322,108	-
Consulting and other	-	64,800	196,446
Government grants	-	(43,965)	(84,518)
Transportation and accommodation	-	13,168	73,063
Reports	-	5,000	176,391
Total expenditures during the period	-	39,273	361,381
Balance, end of period	361,381	361,381	361,381
Cryderman			
Balance, beginning of period	4,359	4,359	-
Reports	-	-	3,600
Transportation and accommodation	-	-	759
Balance, end of period	4,359	4,359	4,359
Ross River			
Balance, beginning of period	-	-	-
Claims staking	78,100	-	78,100
Balance, end of period	78,100	-	78,100
Total mineral properties and deferred exploration costs	\$ 10,167,017	\$ 7,192,829	\$ 10,167,017

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

Central Manitoba Bissett (Gold Property)

The Company owns a 100% interest in 23 claims located approximately 160 kilometres northeast of Winnipeg, Manitoba. In 2009 the Company began follow-up drilling on its 2007-2008 drill program. In the six months ended June 30, 2012, the Company's drill program continued, the results of which are detailed in the Company's MD&A for the period ended June 30, 2012.

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.

Cryderman (Gold Property)

The Company owns a 100% interest in 5 claims located approximately 145 kilometres northeast of Winnipeg, Manitoba.

Ross River (Gold Property)

The Company owns a 100% interest in 66 claims located in Southeastern Manitoba.

7. SHARE CAPITAL

(a) Capital

Authorized: unlimited common shares

Issued:

Common Shares	Number of Shares	Value
Balance at December 31, 2011	85,697,123	\$ 12,426,455
Share issue costs (i)	-	(13,663)
Balance at June 30, 2012	85,697,123	\$ 12,412,792

(i) The Company incurred \$13,663 in share issue costs relating to a private placement financing in December 2011.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

7. SHARE CAPITAL (CONTINUED)

(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.

A summary of the Company's stock option activity for the three months ended June 30, 2012 is as follows:

	Number Of Options	Weighted- Average Exercise Price
Outstanding, December 31, 2011	5,469,167	\$ 0.23
Issued (i)	700,000	0.30
Expired/cancelled	(150,000)	0.20
Outstanding, June 30, 2012	6,019,167	\$ 0.24

- (i) On January 25, 2012, 100,000 stock options exercisable at \$0.17 with an expiry date of January 25, 2017 were granted to a director of the Company.
- (ii) On May 10, 2012, 100,000, 75,000 and 425,000 stock options exercisable at \$0.16, \$0.35 and \$0.36 respectively, with an expiry date of May 10, 2017 were granted to directors, officers and employees of the Company.

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at June 30, 2012 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
\$0.36	50,000	\$0.36	0.12	50,000	\$0.36
\$0.10	966,667	\$0.10	2.18	966,667	\$0.10
\$0.155	1,312,500	\$0.155	3.07	1,312,500	\$0.155
\$0.36	2,040,000	\$0.36	3.67	1,700,000	\$0.36
\$0.20	950,000	\$0.20	4.19	475,000	\$0.20
\$0.17	100,000	\$0.17	4.57	16,667	\$0.17
\$0.16	100,000	\$0.16	4.86	-	-
\$0.35	425,000	\$0.36	4.86	-	-
\$0.36	75,000	\$0.35	4.86	-	-
Total	6,019,167	\$0.24	3.49	4,504,167	\$0.23

In the six months ended June 30, 2012 \$168,491 (2011 - \$184,627) was recorded as stock-based compensation expense for the stock options vested during the period.

The fair value of the 700,000 (2011 - 2,090,000) stock options granted during the period has been estimated at \$78,364 (2011 - \$634,496) using the Black-Scholes model for pricing options. The following assumptions were used:

	2012	2011
Risk free interest rate	1.36%	2.44%
Dividend	Nil	Nil
Expected stock volatility	124%	124%
Weighted-average expected life (years)	5	5

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

7. SHARE CAPITAL (CONTINUED)

(c) Warrants

Details of warrants outstanding are as follows:

	Number of Warrants	Exercise Price/ Warrant	Expiry Date
Balance, December 31, 2011 and June 30, 2012	4,937,200	\$ 0.29	

The Company did not issue any warrants in the three months ended March 31, 2012 and 2011.

8. LOSS PER SHARE

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. 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.

9. INCOME TAX INFORMATION

The estimated taxable income for the six months ended June 30, 2012 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, 2011 audited financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these financial statements.

BISON GOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three and six months ended June 30, 2012 and 2011

(Unaudited)

10. RELATED PARTY TRANSACTIONS

- (a) On September 9, 2010, Bison completed a 12-month \$350,000 secured convertible loan with GC-Global Capital Corp. ("GC"). The Company was related to GC by virtue of a common director. During the six months ended June 30, 2012, interest expense of \$Nil (2011 - \$21,000) was incurred with respect to this loan. The loan was repaid in September 2011.
- (b) On January 17, 2011, Bison completed a 12-month, \$400,000 secured convertible loan with GC. During the six months ended June 30, 2012, interest expense of \$Nil (2011 - \$21,600) was incurred with respect to this loan. The loan was repaid in December 2011.
- (c) The Company paid \$8,000 (2011 - \$12,000) in rent to GC for the six months ended June 30, 2012. The company no longer has any obligations to GC for rent.

The transactions above are in the normal course of operations and are measured at the exchange value (the amounts established and agreed to by the related parties), which approximates the arm's length equivalent value.

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the six month period was as follows:

	June 30 2012	June 30 2011
Salaries, consulting and benefits	\$ 194,575	\$ 193,037
Stock-based compensation	121,640	83,032
	<u>\$ 316,215</u>	<u>\$ 276,069</u>

11. 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) Pursuant to the common share flow-through financings completed in 2011, the Company is required to spend \$601,025 in Canadian Exploration Expenditures by December 31, 2012.

12. SUBSEQUENT EVENTS

On July 5, 2012, the Company announced that the Company's Chief Financial Officer and V.P. Corporate Development, Amir Mousavi, commenced litigation against Bison to dispute the results of the Company's AGM held on June 26, 2012. See the Company's press release dated July 5, 2012 for further information on this matter.