BISON GOLD RESOURCES INC.

FINANCIAL STATEMENTS

December 31, 2013 and 2012

MNP LLP

Independent Auditor's Report

To the Shareholders of Bison Gold Resources Inc.

We have audited the accompanying financial statements of Bison Gold Resources Inc., which comprise the balance sheet as at December 31, 2013, and the statements of loss and comprehensive loss, changes in equity, and cash flows for the year 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Bison Gold Resources Inc.'s ability to continue as a going concern.

Other matters

The financial statements as at December 31, 2012 and for the year then ended were audited by MSCM LLP of Toronto, Canada, prior to its merger with MNP LLP. MSCM LLP expressed an unmodified opinion on those statements on April 26, 2013.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 28, 2014

MNP LLP

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, MNP LLP, are appointed by the shareholders to conduct an audit and their report follows.

"signed Amir Mousavi"	"signed Chris Carmichael"
Amir Mousavi	Chris Carmichael
Chief Executive Officer	Chief Financial Officer

Toronto, Canada
April 28, 2014

BISON GOLD RESOURCES INC.

BALANCE SHEETS

	December 31 2013	December 31 2012
Assets		
Current assets		
Cash and short-term deposits	$ 391,016	$ 894,279
Share subscriptions receivable	162,840	29,800
HST/GST receivable	11,013	87,968
Prepaid expenses and sundry receivables	3,011	5,156
	567,880	1,017,203
Equipment (Note 5)	5,331	6,717
Mineral properties and deferred exploration costs (Note 6)	10,349,565	10,262,120
	$ 10,922,776	$ 11,286,040
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 11(c))	$ 264,457	$ 681,886
Deferred premium on flow-through shares (Note 7)	49,488	115,612
	313,945	797,498
Deferred income tax liability (Note 10)	1,154,060	1,174,980
	1,468,005	1,972,478
Equity		
Share capital (Note 8(a))	13,616,480	13,099,529
Units to be issued	-	200,000
Contributed surplus	3,241,180	3,144,362
Deficit	(7,402,889)	(7,130,329)
	9,454,771	9,313,562
	$ 10,922,776	$ 11,286,040

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

Going Concern (Note 1)
Commitments and Contingencies (Note 12)
Subsequent Event (Note 13)

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	2013	2012
Expenses		
Audit and legal fees	$ (15,222)	$ 363,685
Consulting fees (note 11)	264,485	461,436
Director fees (note 11)	-	66,250
Part XII.6 tax (Note 12(b))	-	31,529
Tax indemnity (Note 12(b))	-	60,000
Insurance	8,854	6,874
Interest and bank charges	2,033	8,602
Office and general	16,367	37,819
Rent	9,000	21,065
Salaries	-	61,769
Stock-based compensation (Note 8(b))	7,453	219,314
Transfer agent, listing and filing fees	22,082	47,195
Travel and promotion	20,653	88,199
Depreciation	2,126	5,119
Write-down of mineral property expenditures and deferred exploration costs (note 6)	78,100	380,770
Loss before other income and expenses	(415,931)	(1,859,626)
Other income and expenses		
Interest income	3,227	13,965
Loss on disposal of capital assets	-	(4,781)
Premium paid on flow through shares	119,224	870,727
Loss for the year before income tax	(293,480)	(979,715)
Deferred income tax recovery (expense) (note 10)	20,920	(482,380)
Net loss and comprehensive loss for the year	$ (272,560)	$ (1,462,095)
Weighted average number of common shares outstanding – basic and diluted	111,597,973	86,297,781
Basic and fully diluted (loss) per share (Note 9)	$ (0.00)	$ (0.02)

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

BISON GOLD RESOURCES INC.

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31	2013	2012
Share capital		
Balance, beginning of year	$ 13,099,529	$ 12,426,455
Shares issued on private placements	692,000	914,000
Value of warrants issued	(89,364)	(104,979)
Premium paid on flow-through shares	(53,100)	(115,614)
Costs of shares issued	(32,585)	(20,333)
Balance, end of year	13,616,480	13,099,529
Units to be issued		
Balance, beginning of year	200,000	-
Units to be issued on private placements	(200,000)	200,000
Balance, end of year	-	200,000
Contributed surplus		
Balance, beginning of year	3,144,362	2,820,069
Stock-based compensation	7,453	219,314
Warrants issued on private placements	89,365	104,979
Balance, end of year	3,241,180	3,144,362
Deficit		
Balance, beginning of year	(7,130,329)	(5,668,234)
Net loss for the year	(272,560)	(1,462,095)
Balance, end of year	(7,402,889)	(7,130,329)
Total shareholders' equity, end of year	$ 9,454,771	$ 9,313,562

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		2013		2012
Cash flow from operating activities				
Net loss for the year	$	(272,560)	$	(1,462,095)
Items not affecting cash:				
Depreciation		2,126		5,119
Loss on disposal of capital assets		-		4,781
Deferred income tax (recovery) provision		(20,920)		482,380
Stock-based compensation		7,453		219,314
Premium paid on flow-through shares		(119,224)		(870,727)
Write-down of mineral properties and deferred exploration costs		78,100		380,770
Changes in non-cash working capital:				
Accounts receivable		(133,040)		-
HST/GST receivable		76,955		174,150
Prepaid and sundry receivables		2,145		9,054
Accounts payable and accrued liabilities		(417,429)		434,441
		(796,394)		(622,813)
Cash flow from investing activities				
Mineral property and deferred exploration expenditures		(256,036)		(3,350,060)
Government grant and other recoveries relating to mining expenditures		90,493		-
Purchase of equipment		(741)		(4,421)
		(166,284)		(3,354,481)
Cash flow from financing activities				
Proceeds from issue of common shares and warrants		492,000		1,120,800
Costs associated with issuance of common shares		(32,585)		(20,333)
Units to be issued		-		200,000
		459,415		1,300,467
Decrease in cash and short-term deposits		(503,263)		(2,676,827)
Cash and short-term deposits, beginning of year		894,279		3,571,106
Cash and short-term deposits, end of year	$	391,016	$	894,279
Interest received	$	3,227	$	13,965

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, Ontario M5J 1R7. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol BGE.

The financial statements were approved by the Board of Directors on April 28, 2014.

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 in 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. 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. As such, there is significant doubt regarding 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.

Management believes that it can raise sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due. The Company's ability to continue operations and funds its mining interest expenditures is dependent on management's ability to secure additional financing.

Accordingly, 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

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective December 31, 2013.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation

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.

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, 2013 the Company held $301,702 (2012 - $NIL) 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 and comprehensive 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 and comprehensive 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 and comprehensive 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 and comprehensive 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 and comprehensive 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and comprehensive 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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2013 and 2012.

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 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 also in 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, 2013 the Company recorded an impairment loss via a write-down of mineral properties and deferred exploration costs of $78,100 (2012 - $380,770).

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.

Standards and amendments effective in the current year

There were no new standards issued by the IASB effective for the current year that had an impact on the Company's 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 in 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 financial years beginning on or after January 1, 2018. The Company anticipates that this standard will be adopted in the Company's financial statements for the year beginning January 1, 2018, 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. 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 12.

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 the 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, 2013, Bison has current assets of $567,880 (2012 - $1,017,203) to settle current financial liabilities of $313,945 (2012 - $797,498). The Company needs to raise additional funds in order to meet future expenditures and cover administrative costs. As a result, the Company has significant exposure to liquidity risk (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, 2013		Cost		Accumulated Depreciation		Net Book Value
Computers and equipment	$	3,260	$	(1,291)	$	1,969
Furniture and fixtures		11,411		(8,049)		3,362
Computer software		1,332		(1,332)		-
	$	16,003	$	(10,672)	$	5,331

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

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	December 31 2013	December 31 2012	Cumulative Since inception on April 18, 2005
Central Manitoba Bissett			
Balance, beginning of period	$ 10,184,020	$ 6,827,089	$ -
Acquisition costs	-	-	481,010
Consulting and other	182,855	703,388	2,075,159
Drilling	41,761	1,810,433	6,063,999
Laboratory analysis	-	393,490	1,034,862
Reports	-	-	104,581
Transportation and accommodation	31,422	449,620	826,592
Total expenditures during the period	256,038	3,356,931	10,586,203
Government grants and other recoveries	(90,493)	-	(236,638)
Balance, end of year	10,349,565	10,184,020	10,349,565
Ross River			
Balance, beginning of year	78,100	-	-
Linecutting	-	78,100	78,100
Write down of property	(78,100)	-	(78,100)
Balance, end of year	-	78,100	-
Total mineral properties and deferred exploration costs	$ 10,349,565	$ 10,262,120	$ 10,349,565

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. During the year ended December 31, 2013 the Company recorded an impairment write down on this property totaling $Nil (2012 - $376,411).

Cryderman (Gold Property)
The Company owns a 100% interest in 5 claims located approximately 145 kilometres northeast of Winnipeg, Manitoba. During the year ended December 31, 2013 the Company recorded an impairment write down on this property totaling $Nil (2012 - $4,359).

Ross River (Gold Property)
The Company owns a 100% interest in 66 claims located in Southeastern Manitoba. During the year ended December 31, 2013, the Company recorded an impairment write down on this property totaling $78,100 (2012 - $Nil).

7. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The following summarizes the deferred premium on flow-through transactions for the years ended December 31, 2013 and 2012.

		2013		2012
Balance, beginning of year	$	115,612	$	870,727
Recognized on issuance of flow-through shares		53,100		115,612
Recorded to statement of loss and comprehensive loss		(119,224)		(870,727)
Balance, end of year	$	49,488	$	115,612

8. SHARE CAPITAL

(a) Capital

Authorized: unlimited common shares

Issued:

Common Shares	Number of Shares		Value
Balance at January 1, 2012	85,697,123	$	12,426,455
Private placement (i and ii)	16,885,714		914,000
Value of warrants	-		(104,979)
Premium paid on issuance of flow-through shares (i and ii)	-		(115,614)
Share issue costs (iii)	-		(20,333)
Balance at December 31, 2012	102,582,837		13,099,529
Private placement (v to vii)	13,840,000		692,000
Value of warrants (v to vii)	-		(89,364)
Premium paid on issuance of flow-through shares (Viii)	-		(53,100)
Share issue costs (ix)	-		(32,585)
Balance at December 31, 2013	116,422,837	$	13,616,480

(i) 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.

(ii) 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.

(iii) The Company incurred share issue costs in 2012 in the amount of $20,333.

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

8. SHARE CAPITAL (CONTINUED)

(a) Capital - continued

(v) On January 17, 2013, the Company issued 7,300,000 units at a price of $0.05 for gross proceeds of $365,000. 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, and has an expiry date of January 17, 2015. The warrants were valued at $67,160 using the Black-Scholes model.

(vi) On March 27, 2013, the Company issued 2,000,000 units at a price of $0.05 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, and has an expiry date of March 27, 2015. The warrants were valued at $18,400 using the Black-Scholes model.

(vii) On July 31, 2013 the Company issued 1,000,000 units at a price of $0.05 for gross proceeds of $50,000. Each unit consisted of once 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 July 31, 2015. The warrants were valued at $3,804 using the Black-Scholes model.

(viii) On December 31, 2013 the Company issued 3,540,000 flow-through common shares at a price of $0.05 for gross proceeds of $177,000. The premium paid by the purchasers of the flow through shares totaled $53,100.

(ix) The Company incurred share issue costs in 2013 in the amount of $32,585.

(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 5% of the issued and outstanding shares.

A summary of the Company's stock option activity for the years ended December 31, 2013 and December 31, 2012 is as follows:

	Number Of Options		Weighted-Average Exercise Price
Outstanding, January 1, 2012	5,469,167	$	0.23
Issued (i and ii)	700,000	$	0.30
Expired/cancelled	(3,081,667)	$	0.24
Outstanding, December 31, 2012	3,087,500	$	0.24
Expired/cancelled (iv)	(2,837,500)	$	0.24
Outstanding, December 31, 2013	250,000	$	0.21

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

(ii) 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.

(iii) During the years ended December 31, 2013 and 2012, no options were exercised.

(iv) In June, 2013, the Board of the Company resolved to decrease the rolling stock option plan to 5% of the issued and outstanding shares. Also, of the 2,137,500 options that were outstanding as of the date of the annual meeting, 1,887,500 were forfeited by officers and directors of the Company.

8. SHARE CAPITAL (CONTINUED)

(b) Stock option plan - continued

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at December 31, 2013 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	50,000	$0.10	0.68	50,000	$0.10
$0.36	75,000	$0.36	3.36	75,000	$0.36
$0.20	25,000	$0.20	2.68	25,000	$0.20
$0.16	100,000	$0.16	3.36	100,000	$0.16
Total	250,000	$0.21	2.76	250,000	$0.21

In fiscal 2013 $7,453 (2012 - $219,314) was recorded as stock-based compensation expense for the stock options vested during the year.

(c) Warrants

Details of warrants outstanding are as follows:

	Number of Warrants		Exercise Price/ Warrant	Expiry Date
Balance, December 31, 2011	4,937,202	$	0.29	
Issued (note 8(a)(i))	6,300,000	$	0.125	December 17, 2014
Issued (note 8(a)(ii))	400,000	$	0.125	December 31, 2014
Expired (i)	(1,843,270)	$	0.25	
Balance, December 31, 2012	9,793,932	$	0.18	
Issued (note 8(a)(v))	3,650,000	$	0.125	January 17, 2015
Issued (note 8(a)(vi))	1,000,000	$	0.125	March 15, 2015
Issued (note 8(a)(vii)	500,000	$	0.125	July 31, 2015
Expired (ii)	(814,057)	$	0.500	
Expired (iii)	(2,279,875)	$	0.250	
Balance, December 31, 2013	11,850,000	$	0.125	

(i) 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.
(ii) On April 27, 2013 571,200 common share purchase warrants with an exercise price of $0.50 expired. On June 20, 2013, an additional 242,857 common share purchase warrants with an exercise price of $0.50 expired.
(iii) In December, 2013 2,279,875 common share purchase warrants with an exercise price of $0.16 and $0.25 expired.

The fair value of the warrants issued in 2013 has been determined to be $89,364 (2012 - $104,979) using the Black-Scholes model based on the following assumptions:

	2013	2012
Risk free interest rate	1.15%	1.13%
Dividend yield	Nil	Nil
Expected stock volatility	124%	125%
Weighted-average expected life (years)	2.0	2.0

9. 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 as their inclusion would be anti-dilutive.

10. INCOME TAX INFORMATION

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

	2013	2012
Current tax provision		
Current (recovery) expense	$ -	$ -
Deferred tax (recovery) expense	(20,920)	482,380
	$ (20,920)	$ 482,380

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rates for the year ended December 31 is as follows:

	2013	2012
Loss before recovery of income taxes	$ 293,480	$ 979,715
Expected income tax recovery	$ (77,770)	$ (259,630)
Tax rate changes and other adjustments	32,680	4,550
Non-deductible expenses	37,510	65,390
Undeducted share issue costs	-	(5,390)
Effect of flow-through renunciation	67,850	918,290
Expiry of warrants	4,230	4,150
Flow-through share premium	(31,590)	(230,740)
Change in tax benefits not recognized	(53,830)	(14,240)
Income tax (recovery) expense	$ (20,920)	$ 482,380

Deferred Income Tax

The following table summarizes the components of deferred tax:

	2013	2012
Deferred tax assets		
Non-capital losses carried forward	$ 1,601,780	$ 1,490,990
Investment tax credits	6,030	8,260
	1,607,810	1,499,250
Deferred tax liabilities		
Mineral properties	2,761,870	2,674,230
Net deferred income tax liabilities	$ 1,154,060	$ 1,174,980

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.

10. INCOME TAX INFORMATION (CONTINUED)

Deferred Income Tax - continued

Movement in net deferred tax liabilities:

		2013		2012
Balance, beginning of year	$	1,174,980	$	692,600
Recognized in profit/loss		(20,920)		482,380
Balance, end of year	$	1,154,060	$	1,174,980

Unrecognized Deferred Tax Assets

Deferred 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 tax assets have not been recognized in respect of the following deductible temporary differences:

		2013		2012
Deferred income tax assets				
Equipment and intangible assets	$	66,580	$	67,604
Share issuance costs	$	290,600	$	45,039
Non-capital losses carried forward	$	420,000	$	6,054,400

The non-capital loss carry forwards expire as noted in the table below. Share issue and financing costs will be fully amortized in 2017. Investment tax credits expire from 2026 and 2031.The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

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

2014	$	134,030
2015		285,970
2026		376,170
2027		439,220
2028		594,320
2029		562,940
2030		923,530
2031		1,358,240
2032		1,393,520
2033		396,510
	$	**6,464,450**

11. RELATED PARTY TRANSACTIONS

(a) The Company paid $Nil (2012 - $8,000) to GC-Global Capital Corp. ("GC"), a company with former common directors, and $9,000 (2012 - $3,065) to a Company related by common management in rent for the year ended December 31, 2013. The Company no longer has any obligations to GC for rent.
(b) The Company paid $110,500 to Directors and other members of key management in consulting fees which were recorded as additions to mineral properties during the year ended December 31, 2013 (2012 - $185,000).
(c) As at December 31, 2013 accounts payable and accrued liabilities includes $24,187 (2012 - $153,226) due to directors.

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:

		2013		2012
Salaries, consulting and benefits	$	140,000	$	262,500
Stock-based compensation		6,560		77,807
	$	146,560	$	340,307

12. 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. 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 $177,000 associated with the flow-through offerings that were completed in December 2013 (note 8(a)(viii) by December 31, 2014. The Company intends to fulfill all flow-through commitments by December 31, 2014.

13. SUBSEQUENT EVENT

On February 5, 2014 the Company issued 1,220,000 units at $0.05 per unit for gross proceeds of $61,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at $0.07 per share, for a period of two years.

All common shares issued are subject to a four-month hold period ending June 5, 2014. The proceeds of the financing will be used for general working capital purposes. In connection with the financing the Company paid a commission of $2,480.