Bison Gold Exploration Inc.
(A Development Stage Company)

Financial Statements

December 31, 2005

MOORE STEPHENS COOPER MOLYNEUX LLP

CHARTERED ACCOUNTANTS

8th Floor, 701 Evans Avenue
Toronto, Ontario
Canada M9C 1A3

Telephone: (416) 626-6000
Facsimile: (416) 626-8650
Web Site: www.mscm.ca

Auditors' Report

To the Shareholders of
Bison Gold Exploration Inc.

We have audited the balance sheet of Bison Gold Exploration Inc. as at December 31, 2005 and the statements of operations and deficit and cash flows for the eight month period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

Signed: ***"Moore Stephens Cooper Molyneux LLP"***

Chartered Accountants

Toronto, Ontario
April 12, 2006

Bison Gold Exploration Inc.
(A Development Stage Company)

Balance Sheet
December 31, 2005

Assets		
Current assets		
Cash and cash equivalents	$	**722,832**
GST receivable		**23,699**
Prepaid and sundry receivables		**7,273**
		753,804
Equipment *(note 4)*		**16,835**
Mineral properties and deferred exploration costs *(note 5)*		**590,805**
	$	**1,361,444**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$	**108,537**
Accrued interest payable		**17,761**
Notes payable *(note 6)*		**31,060**
Liability for shares to be issued *(note 7)*		**52,500**
		209,858
Going Concern *(note 1)*		
Shareholders' equity		
Share capital *(note* 7)		**1,381,835**
Deficit		**(230,249)**
		1,151,586
	$	**1,361,444**

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

Approved by the Board of Directors

Signed: ***"Chris Watkiss"***

Chris Watkiss

Signed: ***"Brian MacLellan"***

Brian MacLellan

Statement of Operations and Deficit
for the eight month period ended December 31, 2005

Revenue	**$ -**
Expenses	
Salaries	**94,900**
Consulting fees	**79,439**
Business development fees	**37,383**
Accounting and audit expense	**27,550**
Office and general	**24,278**
Rent	**19,832**
Legal fees	**12,923**
Transfer agent, listing and filing	**6,729**
Investor relations	**5,250**
Travel expenses	**3,391**
Insurance expense	**2,571**
Incorporation costs	**1,027**
Interest and bank charges	**124**
Amortization	**5,152**
	320,549
(Loss) before recovery of income taxes	**(320,549)**
Recovery of income taxes *(note 9)*	**90,300**
Net (loss) for the period	**(230,249)**
Deficit, beginning of period	**-**
Deficit, end of period	**$ (230,249)**
Basic and fully diluted loss per share *(note 8)*	**$ (0.02)**

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

Bison Gold Exploration Inc.
(A Development Stage Company)

Statement of Cash Flows
for the eight month period ended December 31, 2005

Cash flow from operating activities	
Net loss for the period	**$ (230,249)**
Items not affecting cash	
Amortization	**5,152**
Recovery of income taxes	**(90,300)**
	(315,397)
Accounts receivable	**(22,728)**
Prepaid and sundry receivables	**(7,273)**
Accounts payable and accrued liabilities	**54,393**
	(291,005)
Cash flow from investing activities	
Mineral property expenditures	**(34,795)**
Purchase of equipment	**(21,987)**
Acquisition of Mid-North Resources Limited, net of cash received	**(167,191)**
	(223,973)
Cash flow from financing activities	
Issue of common shares	**1,250,300**
Costs associated with the issue of common shares	**(12,490)**
	1,237,810
Increase in cash and cash equivalents	**722,832**
Cash and cash equivalents, beginning of period	**-**
Cash and cash equivalents, end of year	**$ 722,832**
Cash and cash equivalents comprised of:	
Cash	**$ 222,832**
Term deposit	**500,000**
	$ 722,832
Non-cash transaction:	
Shares issued in exchange for Mid-North Resources Limited common shares	**$ 234,325**

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

1. Nature of Business and Going Concern

Nature of business

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

On December 23, 2005, the Company amalgamated with Mid-North Resources Limited ("Mid-North"), as further explained in note 3.

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.

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

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

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Cash equivalents

For the purpose of the statements of cash flows, the Company considers cash equivalents to be cash and short-term investments with original maturities of three months or less.

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. 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 mining properties 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.

On an annual basis, the Company reviews the carrying values of deferred mineral property acquisition costs and deferred exploration expenditures to assess whether there has been an impairment in value. The Company recognizes write-downs for impairment where the carrying value of the mining property exceeds its estimated long term net recoverable value. Recoverable value is estimated based upon current exploration results and upon management's assessment of the future probability of positive cash flows from the property or from the sale of the property.

Joint Ventures

A portion of the Company's exploration activities is conducted jointly with others wherein the Company enters into agreements that provide for specified percentage interest in mineral properties. Joint venture accounting, which reflects the Company's proportionate interest in mineral properties, is applied by the Company only when commercial feasibility is established and the parties enter into formal comprehensive agreements for ownership and mineral participation.

Equipment

Equipment is recorded at cost. Amortization is provided over their expected useful lives using the following methods and annual rates:

Computers and equipment	-	30	% declining balance
Furniture and fixtures	-	20	% declining balance

Income taxes

The Company accounts for income taxes using the asset and liability method of accounting. Under this method future income tax assets and future income tax liabilities are recorded based on temporary differences between the financial reporting basis of the Company's assets and liabilities and their corresponding tax basis. The future benefits of income tax assets, including unused tax losses, are recognized subject to a valuation allowance to the extent that is it is more likely than not that such losses will be ultimately utilized. These future income tax assets and liabilities are measured using substantially enacted tax rates and laws that are expected to apply when the tax assets or liabilities are to be settled or realized.

2. Significant Accounting Policies - continued

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers.

The Company records the tax benefit associated with the agreements at the time of the renouncement, provided there is reasonable assurance that the expenditures will be incurred. To recognize the foregone tax benefits to the Company, the carrying value of the shares is reduced by the tax effect of the tax benefits renounced to subscribers.

Share issue costs

Costs incurred for the issue of Common shares are deducted from share capital.

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. The Company has no potentially dilutive instruments as at December 31, 2005.

Stock based compensation plan

The Company has in effect a Stock Option Plan ("the Plan") which is described in note 13. Stock options awarded are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes model. Consideration paid on the exercise of stock options is credited to share capital.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates used in the preparation of these financial statements include determining the estimated net realizable value of mineral properties and deferred exploration expenditures, the provision for income taxes and composition of future income tax assets and liabilities and the valuation of assets acquired and related shares issued in non-monetary transactions.

Recent accounting procurements

Non-monetary transactions

In June 2005, the CICA released new Handbook Section 3831, “Non-Monetary Transactions”, effective for fiscal periods beginning on or after January 1, 2006. This standard requires all non-monetary transactions to be measured at fair value unless they meet one of four very specific criteria. Commercial substance replaces culmination of the earnings processes as the test for fair value measurement. A transaction has commercial substance if it causes an identifiable and measurable change in the economic circumstances of the entity. Commercial substance is a function of the cash flows expected by the reporting entity.

The Company has not yet determined the the impact of the adoption of this standard on its results of operations or financial position.

3. Business Combination

On August 25, 2005, the Company entered into an agreement with Mid-North whereby the Company and Mid-North would amalgamate. Terms of the agreement provided that the former Bison shareholders would receive common shares of the amalgamated company equal to the number of shares that they held of the respective amalgamating companies. Former Mid-North shareholders would receive one common share of the amalgamated company for every four shares that they held of the respective amalgamating company. As a result, the former Bison shareholders received 17,010,000 common shares of the amalgamated company and the former Mid-North shareholders received 3,347,502 common shares of the amalgamated company (subsequent to the four for one share consolidation by Mid-North). The transaction was completed on December 23, 2005 with the companies amalgamating on that date and continuing operations under the name Bison Gold Exploration Inc.

The transaction has been accounted for using the purchase method with Bison identified as the acquirer. The purchase consideration, being the fair value of the amalgamated company's shares issued to the former Mid-North shareholders, has been allocated to the estimated fair values of the assets acquired and liabilities assumed at the effective date of the purchase. This allocation is summarized as follows:

Current assets	$	2,759
Mineral properties		556,010
		558,769
Less: current liabilities		155,465
Fair value of consideration given	$	403,304

Included in the fair value of the consideration are costs of $168,979 related to the transaction.

4. Equipment

		Cost		Accumulated Amortization		Net Book Value
Computers and equipment	$	14,766	$	4,430	$	10,336
Furniture and fixtures		7,221		722		6,499
	$	21,987	$	5,152	$	16,835

5. Mineral Properties and Deferred Exploration Costs

Balances as of December 31, 2005:		Acquisition Costs		Deferred Exploration Expenditures		Total Costs
Central Manitoba Bissett (a)	$	481,010	$	34,795	$	515,805
Burntwood River (b)		75,000		-		75,000
	$	556,010	$	34,795	$	590,805

5. Mineral Properties and Deferred Exploration Costs - continued

Title to the mining claims involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many claims. The Company has investigated title to all of its mining claims and to the best of its knowledge, title to all of its claims is in good standing.

The Company determined the fair value of the respective mineral properties purchased from Mid-North by reviewing expenditures made in the preceding two years as well as considering future intentions to explore and develop the various sites. Disclosure of these estimates has been included on each property listed below.

(a) Central Manitoba Bissett (Gold Property)

The Company owns a 100% interest in 26 Central Manitoba and Cryderman claims located approximately 160 kilometres northeast of Winnipeg, Manitoba. On July 25, 2003, Mid-North granted Placer Dome (CLA) Limited ("Placer") an option to earn a 75% interest in the claims for $150,000 plus additional expenditures; however, on August 20, 2004 Placer advised the Company of its intention not to exercise its option. No option payment was received during the period ended December 31, 2005. The Company allocated $481,010 of the consideration paid to Mid-North to this mineral property.

(b) Burntwood River (Nickel Property)

The Company has a 12% interest through a joint venture agreement with Falconbridge Limited in 62 mineral claims located in the Burntwood River area of Manitoba. The Company allocated $75,000 of the consideration paid to Mid-North to this mineral property.

The Company also purchased the following properties from Mid-North to which none of the consideration paid was allocated:

Bomber Lake (Gold/Copper Property)

The Company owns 11 contiguous claims in the Bomber Lake area approximately 3 kilometres to the east of the Hudson Bay Mining And Smelting smelter in Flin Flon, Manitoba. There is currently a net smelter royalty of 2% on the claims. The Company has the option to purchase the net smelter royalty for $100,000 for each 1% purchased.

Gunman Property (Zinc/Copper Property)

The Company entered into a joint venture agreement dated January 31, 2002 with Cypress Development Corp. to continue exploration of the Gunman property in White Pine Country, Nevada. The Company holds a 26.87% interest and the joint venture partner holds a 73.13% interest.

The Gunman property consists of 12 Iode claims. There is currently a net smelter royalty of 2% on the claims. The Company, along with the other interest holders, has an option to purchase 1/4 of the net smelter royalty for US$500,000 or 1/2 of the royalty for US$1,000,000.

Beaucage Lake (Gold Property)

The Company owns 9 mineral claims situated approximately 50 kilometres southeast of Lynn Lake, Manitoba covering approximately 1,967 hectares.

5. Mineral Properties and Deferred Exploration Costs - continued

Apex/Miner (Gold Property)

The Company owns a total of 28 claims (Apex - 5, 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.

Other Properties

Pursuant to certain agreements purchased from Mid-North, the Company has the following options:

(i) War Baby Property - Option to acquire a 10% interest in the block of claims covering an area of 17 acres located within the limits of the City of Flin Flon, Manitoba. Under the terms of the agreement, the Company may exercise its option to acquire a 10% interest in the mineral claims by paying 10% of the exploration expenditures incurred by Callinan within 90 days of the receipt of a positive feasibility study on the property.

(ii) Fox River Sill Property - The Company holds a first right of refusal to acquire a 25% interest in the property which consists of 58,700 acres in northeast Manitoba. Falconbridge Limited holds 75% of the property.

6. Notes Payable

The notes payable bear interest at 8% per annum, are unsecured and have no specific terms of repayment. One note, with a principal balance of $30,060, was demanded during the year.

7. Share Capital

Authorized

Unlimited Common shares

Issued	**Number of Shares**	**Amount**
Balance on incorporation, April 18, 2005	7,700,000	$ 100
Private placement (i)	250,000	250,000
Private placement (ii)	500,000	25,000
Private placement (iii)	500,000	25,000
Private placement (iv)	1,000,000	50,000
Private placement (v)	500,000	25,000
Private placement (vi)	100,000	100,000
Private placement (vii)	150,000	150,000
Warrants exercised (viii)	5,685,000	200
Private placement (ix)	375,000	375,000
Private placement (x)	250,000	250,000
Common shares issued for acquisition of Mid-North *(note 3)*	3,347,502	234,325
Tax benefits of renounced flow-through shares (x)	-	(90,300)
Costs of issue	-	(12,490)
Balance, December 31, 2005	20,357,502	$ 1,381,835

7. Share Capital - continued

A summary of share transactions for the year is as follows:

(i) On April 27, 2005, the Company issued 250,000 common shares at $1.00 per share for cash consideration of $250,000.

(ii) On July 29, 2005, the Company issued 500,000 common shares at $0.05 per share for cash consideration of $25,000.

(iii) On August 15, 2005, the Company issued 500,000 common shares at $0.05 per share for cash consideration of $25,000.

(iv) On August 23, 2005, the Company issued 1,000,000 common shares at $0.05 per share for cash consideration of $50,000.

(v) On September 23, 2005, the Company issued 500,000 common shares at $0.05 per share for cash consideration of $25,000.

(vi) On October 3, 2005, the Company issued 100,000 common shares at $1.00 per share for cash consideration of $100,000.

(vii) On October 31, 2005, the Company issued 150,000 common shares at $1.00 per share for cash consideration of $150,000.

(viii) On December 22, 2005, warrants for 5,685,000 common shares were exercised for cash consideration of $200.

(ix) On December 14, 2005, the Company issued 375,000 common shares at $1.00 per share for cash consideration of $375,000

(x) On December 14, 2005, the Company completed a flow-through private placement of 250,000 shares at $1.00 per share for gross proceeds of $250,000.

The Company renounced $250,000 of qualifying expenditures to the shareholders in 2005 and $250,000 is required to by spent by the Company in 2006 under the 'look-back' provision governing flow-through shares.

Liability for shares to be issued

Certain holders of notes payable and related party creditors that held debts assumed by the Company as a result of the Mid-North amalgamation agreed to release the Company from its obligations or repayments in exchange for 105,000 Common shares of the Company, issued subsequent to the year end.

8. Loss Per Share

The following sets forth the computation of basic and fully diluted loss per common share for the period ended December 31, 2005:

Net loss attributed to common shareholders - basic and fully diluted	**$ (230,249)**
Weighted average common shares outstanding - basic and fully diluted	**9,628,483**
Basic and fully diluted loss per common share	**$ (0.02)**

9. Income Taxes

a) Provision for Income Taxes - Current

Significant reconciling items causing the Company's effective tax rate to differ from the Canadian statutory rate of approximately 36.12% are as follows:

Loss before recovery of income taxes	**$ (230,249)**
Expected income tax recovery at statutory rates	**$ (83,166)**
Adjustments resulting from:	
Taxable portion of temporary differences	**(1,895)**
Non-taxable or non-deductible items	**1,599**
	(83,462)
Reduction of valuation allowance	**(6,838)**
Provision for income taxes - current	**$ (90,300)**

b) Future Income Taxes

The approximate tax effect of each type of temporary difference that gives rise to the Company's future income tax assets and liabilities is as follows:

Mineral properties and exploration costs	**$ (296,549)**
Undeducted share issuance and other costs	**3,609**
Undepreciated capital costs	**2,120**
Non-capital losses	**307,742**
Future income tax asset before valuation allowance	**16,922**
Valuation allowance	**(16,922)**
Net future income tax liability	**$ -**

10. Income Tax Losses Carryforward

The Company has incurred non-capital losses of $852,000 for tax purposes which are available to reduce future taxable income. Such benefits will be recorded as an adjustment to the tax provision in the year realized. The losses will expire as follows:

2006	**$ 113,000**
2007	**111,000**
2008	**10,000**
2009	**100,000**
2010	**66,000**
2014	**134,000**
2015	**318,000**
	$ 852,000

11. Financial Instruments

Fair value of monetary assets and liabilities

The carrying amount of cash, GST and sundry receivables, accounts payable and accrued liabilities and interest payable approximates their fair value because of the short-term maturities of these items. The related party advances are non-interest bearing and are therefore recorded at a level higher then their fair value. Given the nature of these liabilities and the stage of the Company, the fair value of these advances is not determinable at this time.

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.

12. Commitments and Contingencies

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. 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 regulation.

13. Subsequent Event

The Company has a stock option plan under which the Company can grant 1,800,000 options to directors, employees and service providers at the discretion of the directors. On December 23, 2005, the Company agreed to issue 1,510,000 options which was approved by the directors on January 31, 2006, at which time 753,334 options were issued to directors and 556,666 options were issued to consultants, exercisable at $0.50 per share and expiring on December 23, 2010; and 200,000 options were issued to a service provider, exercisable at $1.00 per share and expiring on December 23, 2006. There were no exercisable options outstanding at year end.