

**LOGAN RESOURCES LTD.**

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED JUNE 30, 2006  
(UNAUDITED – PREPARED BY MANAGEMENT)

The financial statements for the three-month period ended June 30, 2006  
have not been reviewed by the Company's auditors.

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**INTERIM BALANCE SHEETS**  
(UNAUDITED – PREPARED BY MANAGEMENT)

|  | June 30<br>2006<br>- \$ - | March 31<br>2006<br>- \$ - |
|--|---------------------------|----------------------------|
| <b>A S S E T S</b>                     |                           |                            |
| <b>CURRENT ASSETS</b>                  |                           |                            |
| Cash                                   | 1,300,454                 | 265,565                    |
| Cash committed for mineral exploration | 3,245,170                 | 250,940                    |
| Short-term investment                  | -                         | 50,000                     |
| Amounts receivable                     | 139,242                   | 96,309                     |
| Marketable securities                  | 71,050                    | 75,000                     |
| Prepaid expenses                       | -                         | 1,667                      |
|  | <b>4,755,916</b>          | 739,481                    |
| <b>PROPERTY BONDS</b>                  | <b>5,000</b>              | 5,000                      |
| <b>CAPITAL ASSETS (Note 3)</b>         | <b>47,563</b>             | 31,450                     |
| <b>MINERAL INTERESTS (Note 4)</b>      | <b>2,216,501</b>          | 1,703,741                  |
|  | <b>7,024,980</b>          | 2,479,672                  |
| <b>L I A B I L I T I E S</b>           |                           |                            |
| <b>CURRENT LIABILITIES</b>             |                           |                            |
| Accounts payable                       | 214,446                   | 46,247                     |
| Related parties (Note 8)               | 19,999                    | 134,020                    |
|  | <b>234,445</b>            | 180,267                    |
| <b>SHAREHOLDERS' EQUITY</b>            |                           |                            |
| SHARE CAPITAL (Note 5)                 | 10,959,542                | 6,370,101                  |
| SHARE SUBSCRIPTIONS RECEIVABLE         | (75,750)                  | (177,000)                  |
| CONTRIBUTED SURPLUS                    | 296,818                   | 296,818                    |
| DEFICIT                                | (4,390,075)               | (4,190,514)                |
|  | <b>6,790,535</b>          | 2,299,405                  |
|  | <b>7,024,980</b>          | 2,479,672                  |

**APPROVED BY THE DIRECTORS**

Signed: "Seamus Young"

Signed: "Judith Mazvihwa"

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**INTERIM STATEMENTS OF LOSS AND DEFICIT**  
(UNAUDITED – PREPARED BY MANAGEMENT)

|  | Three Months Ended<br>June 30 |                    |
|--|-------------------------------|--------------------|
|  | 2006<br>- \$ -                | 2005<br>- \$ -     |
| <b>EXPENSES</b>                                |                               |                    |
| Administration salaries                        | 47,529                        | 21,144             |
| Amortization                                   | 3,093                         | 693                |
| Management fees                                | 15,000                        | 7,500              |
| Office and miscellaneous                       | 24,520                        | 14,292             |
| Professional fees                              | 30,813                        | 3,724              |
| Transfer agent and filing fees                 | 30,590                        | 1,880              |
| Business development                           | 75,076                        | 23,898             |
| Interest income                                | (31,010)                      | -                  |
| Impairment loss on marketable securities       | 3,950                         | -                  |
|  | <b>199,561</b>                | <b>73,131</b>      |
| <b>NET LOSS FOR PERIOD</b>                     | <b>(199,561)</b>              | <b>(73,131)</b>    |
| <b>DEFICIT, BEGINNING OF PERIOD</b>            | <b>(4,190,514)</b>            | <b>(4,010,904)</b> |
| <b>DEFICIT, END OF PERIOD</b>                  | <b>(4,390,075)</b>            | <b>(4,084,035)</b> |
| <b>NET LOSS PER SHARE</b>                      | <b>(0.007)</b>                | <b>(0.004)</b>     |
| <b>WEIGHTED AVERAGE SHARES<br/>OUTSTANDING</b> | <b>28,320,308</b>             | <b>17,705,156</b>  |

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**INTERIM STATEMENTS OF CASH FLOWS**  
(UNAUDITED – PREPARED BY MANAGEMENT)

|   | Three Months Ended<br>June 30 |                |
|---|-------------------------------|----------------|
|   | 2006<br>- \$ -                | 2005<br>- \$ - |
| <b>Operating Activities:</b>                          |                               |                |
| Net loss for the period                               | (199,561)                     | (73,131)       |
| Items not involving cash:                             |                               |                |
| Amortization  | 3,093                         | 693            |
| Impairment loss on marketable securities              | 3,950                         | -              |
| Changes in non-cash working capital                   |                               |                |
| Amounts receivable                                    | (42,933)                      | (9,829)        |
| Prepaid expenses                                      | 1,667                         | (2,795)        |
| Accounts payable and accrued liabilities              | 168,199                       | 122,511        |
| Due from related parties                              | -                             | 63,357         |
| Due to related parties                                | (114,021)                     | 18,025         |
| Net cash used in operating activities                 | (179,606)                     | 118,831        |
| <b>Investing Activities:</b>                          |                               |                |
| Sale of short term investment                         | 50,000                        | -              |
| Acquisition of property and equipment                 | (19,206)                      | (12,567)       |
| Acquisition of and expenditures on mineral properties | (512,760)                     | (269,289)      |
| Net cash used in investing activities                 | (481,966)                     | (281,856)      |
| <b>Financing Activities:</b>                          |                               |                |
| Proceeds from issuance of shares                      | 4,734,575                     | 262,000        |
| Share issuance costs                                  | (145,134)                     | -              |
| Share subscriptions received                          | 101,250                       | -              |
| Net cash provided by financing activities             | 4,690,691                     | 262,000        |
| Increase (decrease) in cash during period             | 4,029,119                     | 98,975         |
| Cash at beginning of period                           | 516,505                       | 385,409        |
| Cash at end of period                                 | 4,545,624                     | 484,384        |
| Cash and Cash Equivalents consist of:                 |                               |                |
| Cash  | 1,300,454                     | 429,508        |
| Cash committed for mineral exploration                | 3,245,170                     | 54,876         |
|   | 4,545,624                     | 484,384        |
| Non-cash Investing and Financing Activities           |                               |                |
| Mineral expenditure tax credits receivable            | -                             | 59,175         |
| Issuance of shares for finders' fees                  | 233,750                       | -              |
| Supplementary disclosures:                            |                               |                |
| Interest paid   | -                             | -              |
| Income taxes paid                                     | -                             | -              |

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**  
 (An Exploration Stage Company)  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**THREE MONTH ENDED JUNE 30, 2006**  
 (UNAUDITED – PREPARED BY MANAGEMENT)

**1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS**

The Company is in the business of acquiring and exploring mineral properties. There has been no determination whether properties held contain ore reserves, which are economically recoverable. In the ordinary course of business, the Company sells or options property interests to third parties, accepting as consideration cash and/or securities of the acquiring party.

The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

These financial statements have been prepared on the going concern basis which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business. The ability to continue as a going concern is dependent upon the Company achieving profitable operations, and/or securing adequate additional financing.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These unaudited interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles for financial statements and on a basis consistent with the policies set out in the Company's annual audited financial statements for the year ended March 31, 2006. However, certain disclosures required for annual financial statements have not been included. Accordingly, these unaudited interim financial statements should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended March 31, 2006.

The carrying amount of marketable securities is reduced to market value when the decline in value is other than temporary. As at June 30, 2006, the fair market value of the securities held was \$233,500 (March 31, 2006 - \$440,600).

**3. CAPITAL ASSETS**

|                                | June 30, 2006  |                                       |                             | March 31<br>2006            |
|--------------------------------|----------------|---------------------------------------|-----------------------------|-----------------------------|
|                                | Cost<br>- \$ - | Accumulated<br>Amortization<br>- \$ - | Net Book<br>Value<br>- \$ - | Net Book<br>Value<br>- \$ - |
| Automotive                     | 15,836         | 1,815                                 | 14,021                      | 15,328                      |
| Computer equipment             | 3,254          | 1,931                                 | 1,323                       | 1,526                       |
| Field equipment                | 22,216         | 1,917                                 | 20,299                      | 1,881                       |
| Office furniture and equipment | 12,438         | 2,421                                 | 10,017                      | 10,639                      |
| Software                       | 2,769          | 866                                   | 1,903                       | 2,076                       |
|                                | 56,513         | 8,950                                 | 47,563                      | 31,450                      |

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(An Exploration Stage Company)  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**THREE MONTH ENDED JUNE 30, 2006**  
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**4. MINERAL INTERESTS**

A summary of expenditures incurred relating to the Company's mineral interests is as follows:

|  | June 30<br>2006<br>- \$ - | Current<br>expenditures<br>- \$ - | March 31<br>2006<br>- \$ - |
|--|---------------------------|-----------------------------------|----------------------------|
| a) Albert Creek, British Columbia          |                           |                                   |                            |
| Acquisition costs                          | 40,757                    | -                                 | 40,757                     |
| Cumulative exploration expenditures        | 148,058                   | -                                 | 148,058                    |
| Assay                                      | 7,807                     | -                                 | 7,807                      |
| Equipment rental                           | 4,600                     | -                                 | 4,600                      |
| Field supervision                          | 4,750                     | 1,250                             | 3,500                      |
| Geologist                                  | 120                       | -                                 | 120                        |
| Helicopter                                 | 12,375                    | -                                 | 12,375                     |
| Licenses and permits                       | 312                       | -                                 | 312                        |
| Line cutting                               | 47,811                    | -                                 | 47,811                     |
| Miscellaneous                              | 4,030                     | -                                 | 4,030                      |
| Surveys                                    | 8,585                     | -                                 | 8,585                      |
| Transportation                             | 1,906                     | -                                 | 1,906                      |
| Recovery per option payment (Note 5(a)(i)) | (100,000)                 | -                                 | (100,000)                  |
|  | <u>181,111</u>            | <u>1,250</u>                      | <u>179,861</u>             |
| b) Antler Creek, British Columbia          |                           |                                   |                            |
| Acquisition costs                          | 42,213                    | 13,440                            | 28,773                     |
| Cumulative exploration expenditures        | 28,899                    | -                                 | 28,899                     |
| Miscellaneous                              | 725                       | -                                 | 725                        |
| Supervision                                | 1,500                     | -                                 | 1,500                      |
| Surveys                                    | 2,655                     | -                                 | 2,655                      |
|  | <u>75,992</u>             | <u>13,440</u>                     | <u>62,552</u>              |
| c) Carswell, Saskatchewan                  |                           |                                   |                            |
| Cumulative exploration expenditures        | -                         | -                                 | -                          |
| Option payments received                   | (3,500)                   | -                                 | (3,500)                    |
| Field supervision                          | 5,500                     | 2,000                             | 3,500                      |
|  | <u>2,000</u>              | <u>2,000</u>                      | <u>-</u>                   |
| d) Cheyenne, Yukon                         |                           |                                   |                            |
| Acquisition costs                          | 131,055                   | 40,000                            | 91,055                     |
| Assay                                      | 5,261                     | -                                 | 5,261                      |
| Camp supplies                              | 2,530                     | 2,530                             | -                          |
| Diamond drilling                           | 16,667                    | 16,667                            | -                          |
| Fuel                                       | 21,599                    | 21,599                            | -                          |
| Geologist                                  | 2,156                     | 2,156                             | -                          |
| Helicopter                                 | 8,295                     | 8,295                             | -                          |
| Mapping                                    | 7,843                     | 490                               | 7,353                      |
| Miscellaneous                              | 1,107                     | 1,076                             | 31                         |
| Supervision                                | 5,250                     | 1,500                             | 3,750                      |
| Support wages                              | 2,500                     | -                                 | 2,500                      |
| Surveys                                    | 3,185                     | -                                 | 3,185                      |
| Transportation                             | 1,220                     | 1,220                             | -                          |
|  | <u>208,668</u>            | <u>95,533</u>                     | <u>113,135</u>             |
| e) Heidi, Yukon                            |                           |                                   |                            |
| Acquisition costs                          | 229,451                   | -                                 | 229,451                    |
| Cumulative exploration expenditures        | 49,768                    | -                                 | 49,768                     |
| Accommodation and meals                    | 41,583                    | 41,583                            | -                          |
| Assay                                      | 250                       | -                                 | 250                        |
| Diamond drilling                           | 16,667                    | 16,667                            | -                          |
| Fuel                                       | 24,926                    | 24,926                            | -                          |
| Geologist                                  | 2,957                     | 2,119                             | 838                        |
| Helicopter                                 | 18,260                    | 18,260                            | -                          |
| Licenses and permits                       | 2,500                     | -                                 | 2,500                      |
| Mapping                                    | 723                       | 298                               | 425                        |
| Miscellaneous                              | 3,848                     | 3,777                             | 71                         |
| Supervision                                | 7,346                     | 3,250                             | 4,096                      |
| Surveys                                    | 1,545                     | 110                               | 1,435                      |
| Transportation                             | 1,428                     | 1,428                             | -                          |
| Wages                                      | 11,700                    | -                                 | 11,700                     |
| Tax credits recoverable                    | (1,030)                   | -                                 | (1,030)                    |
|  | <u>411,922</u>            | <u>112,418</u>                    | <u>299,504</u>             |

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**THREE MONTH ENDED JUNE 30, 2006**  
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**4. MINERAL INTERESTS (Continued)**

|                                       | June 30<br>2006  | Current<br>expenditures | March 31<br>2006 |
|---------------------------------------|------------------|-------------------------|------------------|
|                                       | - \$ -           | - \$ -                  | - \$ -           |
| f) Redford, British Columbia          |                  |                         |                  |
| Acquisition costs                     | 32,288           | -                       | 32,288           |
| Cumulative exploration expenditures   | 260,043          | -                       | 260,043          |
| Assay                                 | 294              | 294                     | -                |
| Supervision                           | 250              | -                       | 250              |
|                                       | <u>292,875</u>   | <u>294</u>              | <u>292,581</u>   |
| g) Shell Creek, Yukon                 |                  |                         |                  |
| Acquisition costs                     | 306,081          | 1,050                   | 305,031          |
| Cumulative exploration expenditures   | 107,368          | -                       | 107,368          |
| Assay                                 | 25,452           | 3,988                   | 21,464           |
| Accommodation and meals               | 77,667           | 77,667                  | -                |
| Camp supplies                         | 31,658           | 25,864                  | 5,794            |
| Diamond drilling                      | 19,882           | 19,882                  | -                |
| Equipment rental                      | 10,581           | 1,019                   | 9,562            |
| Filing fees                           | 10,152           | -                       | 10,152           |
| Fuel                                  | 55,193           | 55,193                  | -                |
| Geologist                             | 21,064           | 16,227                  | 4,837            |
| Helicopter                            | 222,031          | 69,224                  | 152,807          |
| Licenses and permits                  | 2,900            | -                       | 2,900            |
| Line cutting                          | 13,400           | -                       | 13,400           |
| Miscellaneous                         | 10,894           | 7,864                   | 3,030            |
| Mobilization                          | 3,468            | -                       | 3,468            |
| Supervision                           | 31,046           | 7,000                   | 24,046           |
| Surveys                               | 132,857          | 646                     | 132,211          |
| Travel                                | 42,768           | 2,201                   | 40,567           |
| Tax credits recoverable               | (80,529)         | -                       | (80,529)         |
|                                       | <u>1,043,933</u> | <u>287,825</u>          | <u>756,108</u>   |
| <b>Total Exploration Expenditures</b> | <u>2,216,501</u> | <u>512,760</u>          | <u>1,703,741</u> |

a) Albert Creek Property (Liard Mining Division, B.C.)

Pursuant to an option agreement with two individuals, including the President of the Company, the Company owns the right to earn a 100% interest (75% has been earned), subject to a 2% NSR royalty, in eleven mineral claims (159 units). This option (as amended on April 15, 2004) is exercisable in three stages. The first stage (51%) has been completed by paying \$10,000 of out-of-pocket staking costs (paid by issuing 100,000 shares at \$0.10 per share) and incurring \$75,000 of exploration expenditures. The second stage (24%) has been completed by issuing 240,000 shares at a fair value of \$0.10 per share, and incurring a further \$100,000 of exploration expenditures. To exercise the third stage (25%), the Company must issue a further 360,000 shares by September 30, 2007. The Company will then have the right to acquire 50% of the NSR royalty by paying \$1,000,000 to the Optionors by September 30, 2008.

b) Antler Creek Property (Cariboo Mining Division, B.C.)

The Antler Creek property consists of 49 claims representing 64 units. The Company holds a 100% interest in the property, subject to a 2% NSR royalty, held by two individuals, including the son of the President of the Company.

c) Carswell Property (Saskatchewan)

In fiscal 2005, the Company staked 2 claims covering a total area of 7,552 hectares on the Carswell Dome Formation, Saskatchewan.

Pursuant to an option agreement dated March 2, 2005, the Company granted an option to a third party to earn a 50% interest in the Carswell Property.

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**THREE MONTH ENDED JUNE 30, 2006**  
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**4. MINERAL INTERESTS (Continued)**

c) Carswell Property (Saskatchewan) (Continued)

To earn this interest the Optionee paid \$25,000 cash and must issue 200,000 of its shares and incur a total of \$300,000 in exploration expenditures as follows:

Share consideration to be made:

- (i) 100,000 shares to be issued upon acceptance of the Option Agreement by the TSX Venture Exchange (issued);
- (ii) a further 50,000 shares to be issued on or before March 14, 2006 (issued) and
- (iii) a further 50,000 shares to be issued on or before March 14, 2007.

Exploration expenditures to be incurred:

- (i) \$25,000 on or before March 14, 2006 (incurred);
- (ii) a further \$50,000 on or before March 14, 2007;
- (iii) a further \$75,000 on or before March 14, 2008 and
- (iv) a further \$150,000 on or before March 14, 2009.

Upon completion of the above expenditures a joint venture will be entered into between the parties.

d) Cheyenne Property (Mayo Mining District, Yukon Territory)

The Cheyenne property consists of 364 mineral claims in the Mayo Mining District, Yukon Territory. The Company holds a 100% interest in the property, subject to a 2% NSR royalty. In order to exercise the option the Company must pay \$300,000, issue 1,000,000 common shares and incur \$500,000 of exploration expenditures, all in stages over a period of four years as follows:

Cash considerations to be made:

- (i) \$10,000 paid upon acceptance of the Option Agreement by the TSX Venture Exchange (paid);
- (ii) a further \$40,000 paid on or before June 21, 2006 (paid);
- (iii) a further \$50,000 to be paid on or before December 23, 2006;
- (iv) a further \$60,000 to be paid on or before December 23, 2007;
- (v) a further \$70,000 to be paid on or before December 23, 2008;
- (vi) a further \$70,000 to be paid on or before December 23, 2009.

Share considerations to be made:

- (i) 200,000 shares issued within 5 days of TSX Venture Exchange approval (issued);
- (ii) 200,000 shares to be issued on or before December 23, 2006;
- (iii) 200,000 shares to be issued on or before December 23, 2007;
- (iv) 200,000 shares to be issued on or before December 23, 2008; and
- (v) 200,000 shares to be issued on or before December 23, 2009.

Exploration expenditures to be incurred:

- (i) \$100,000 in 2007;
- (ii) \$100,000 in 2008;
- (iii) \$150,000 in 2009; and
- (iv) \$150,000 in 2010.

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**4. MINERAL INTERESTS (Continued)**

Cheyenne Property (Mayo Mining District, Yukon Territory) (Continued)

The Company will have the right to purchase 50% of the NSR royalty retained by the Optionor prior to the Commercial Production Date, for a purchase price of \$2,000,000 and the right of first refusal on the remaining 50%.

If the property is not in production by March 1, 2015, advance royalty payments will be made as follows:

- (i) \$25,000 on March 1, 2015;
- (ii) \$25,000 on March 1, 2016;
- (iii) \$25,000 on March 1, 2017; and
- (iv) \$25,000 on March 1, 2018.

e) Heidi Property (Mayo Mining District, Yukon Territory)

The Heidi property consists of 54 mineral claims in the Mayo Mining District, Yukon Territory. 34 claims were acquired through staking and the remaining 20 are held pursuant to an option agreement dated April 8, 2003 that gives the Company the right to acquire a 100% interest, subject to a 2% NSR royalty. In order to exercise the option, the Company must pay a total of \$180,000 cash consideration, issue a total of 1,000,000 shares and incur exploration expenditures aggregating \$600,000 as follows:

Cash considerations to be made:

- (i) \$15,000 paid upon acceptance of the Option Agreement by the TSX Venture Exchange (paid);
- (ii) a further \$10,000 paid on or before July 15, 2003 (paid);
- (iii) a further \$15,000 paid on or before January 15, 2004 (paid);
- (iv) a further \$15,000 paid on or before July 15, 2004 (paid);
- (v) a further \$17,500 paid on or before January 15, 2005 (paid);
- (vi) a further \$17,500 paid on or before July 15, 2005 (paid);
- (vii) a further \$20,000 paid on or before January 15, 2006 (paid);
- (viii) a further \$20,000 to be paid on or before July 15, 2006;
- (ix) a further \$25,000 to be paid on or before January 15, 2007; and
- (x) a further \$25,000 to be paid on or before July 15, 2007.

Share considerations to be made:

- (i) 100,000 shares issued upon acceptance of the Option Agreement by the TSX Venture Exchange (issued);
- (ii) 100,000 shares issued on or before July 15, 2003 (issued);
- (iii) 50,000 shares issued on or before January 15, 2004 (issued);
- (iv) 50,000 shares issued on or before July 15, 2004 (issued);
- (v) 100,000 shares issued on or before January 15, 2005 (issued);
- (vi) 100,000 shares issued on or before July 15, 2005 (issued);
- (vii) 100,000 shares issued on or before January 15, 2006 (issued);
- (viii) 100,000 shares to be issued on or before July 15, 2006;
- (ix) 150,000 shares to be issued on or before January 15, 2007; and
- (x) 150,000 shares to be issued on or before July 15, 2007.

Exploration expenditures to be incurred:

- (i) \$75,000 by April 8, 2004 (incurred);
- (ii) \$175,000 in aggregate by April 8, 2005 (date extended by the Optionor);
- (iii) \$300,000 in aggregate by April 8, 2006 (date extended by the Optionor);
- (iv) \$450,000 in aggregate by April 8, 2007; and
- (v) \$600,000 in aggregate by April 8, 2008.

The Company will have the right to purchase 50% of the NSR royalty retained by the Optionor for a purchase price \$2,000,000 and the right of first refusal on the remaining 50%.

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**4. MINERAL INTERESTS (Continued)**

During the prior year, the Company staked a further 18 claims to bring the total property to 54 claims.

f) Redford Property (Alberni Mining Division, B.C.)

The Company has a 100% interest in 25 claims (432 units) in the Alberni Mining Division, B.C.

g) Shell Creek Property (Dawson Mining District, Yukon Territory)

The Shell Creek property consists of 628 mineral claims in the Dawson Mining District, Yukon Territory. 558 claims were acquired through staking and the remaining 70 are held pursuant to an option agreement dated January 1, 2003, that gives the Company the right to earn a 100% interest, subject to a 2% NSR royalty. In order to exercise the option, the Company must pay a total of \$155,000 cash consideration, issue a total of 1,000,000 shares and incur exploration expenditures aggregating \$1,550,000 as follows:

Cash considerations to be made:

- (i) \$10,000 paid to cover certain expenditures (paid);
- (ii) a further \$15,000 paid upon acceptance of the option agreement by the TSX Venture Exchange (paid);
- (iii) a further \$25,000 paid on or before January 1, 2004 (paid);
- (iv) a further \$30,000 paid on or before January 1, 2005 (paid);
- (v) a further \$35,000 paid on or before January 1, 2006 (paid); and
- (vi) a further \$40,000 to be paid on or before January 1, 2007.

Share considerations to be made:

- (i) 100,000 shares issued upon acceptance of the Option Agreement by the TSX Venture Exchange (issued);
- (ii) a further 100,000 shares issued on or before July 1, 2003 (issued);
- (iii) a further 200,000 shares issued on or before January 1, 2004 (issued);
- (iv) a further 100,000 shares issued on or before January 1, 2005 (issued);
- (v) a further 100,000 shares issued on or before January 1, 2006 (issued);
- (vi) a further 200,000 shares to be issued on or before January 1, 2007; and
- (vii) a further 200,000 shares to be issued on or before January 1, 2008.

Exploration expenditures to be incurred:

- (i) \$150,000 before January 1, 2004 (incurred);
- (ii) \$350,000 in aggregate before January 1, 2005 (incurred);
- (iii) \$650,000 in aggregate before January 1, 2006 (incurred);
- (iv) \$1,050,000 in aggregate before January 1, 2007; and
- (v) \$1,550,000 in aggregate before January 1, 2008.

The Company will have the right to purchase 50% of the NSR royalty retained by the Optionor for a purchase price of \$2,000,000 and the right of first refusal on the remaining 50%.

The Company applies for Mining Exploration Tax Credits ("METC") on qualifying mineral exploration expenditures incurred. METC's totalling \$81,559, were accrued at June 30, 2006 (March 31, 2006 - \$81,559)

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**THREE MONTH ENDED JUNE 30, 2006**  
(UNAUDITED – PREPARED BY MANAGEMENT)

**5. SHARE CAPITAL**

Authorized

100,000,000 common shares without par value

Issued and outstanding:

|  | # of shares       | - \$ -            |
|--|-------------------|-------------------|
| Balance - March 31, 2006                                     | 21,581,863        | 6,370,101         |
| (a) Flow-through shares – brokered private placement         | 6,250,000         | 3,437,500         |
| Non-flow-through shares – brokered private placement         | 1,250,000         | 625,000           |
| (b) Non-flow-through shares – non-brokered private placement | 1,000,000         | 500,000           |
| (c) Warrants exercised                                       | 234,500           | 82,075            |
| (d) Options exercised  | 225,000           | 90,000            |
| (e) Finders fees   | 467,500           | 233,750           |
| Less: Share issue costs                                      | -                 | (378,884)         |
| <b>Balance – June 30, 2006</b>                               | <b>31,008,863</b> | <b>10,959,542</b> |

- (a) On April 26, 2006 the Company issued 6,250,000 flow-through units through a brokered private placement at a price of \$0.55 per unit. Each flow through unit consists of one share and one half share purchase warrant exercisable at a price of \$0.70 per share for a period of eighteen months.

The Company also issued 1,250,000 non-flow-through-units through a brokered private placement at a price of \$0.50 per unit. Each non-flow-through-unit consists of one share and one half share purchase warrant exercisable at a price of \$0.70 per share for a period of eighteen months.

- (b) On May 4, 2006 the Company issued 1,000,000 non-flow-through-units through a non-brokered private placement at a price of \$0.50 per unit. Each non-flow-through-unit consists of one share and one half share purchase warrant exercisable at a price of \$0.70 per share for a period of eighteen months.
- (c) In the current period 234,500 warrants were exercised and 234,500 shares issued at \$0.35 per share.
- (d) In the current period 225,000 options were exercised and 225,000 shares issued at \$0.40 per share.
- (e) Finders fees were paid to non-related parties.

**6. STOCK OPTIONS**

At June 30, 2006, the following stock options were outstanding

| Number of<br>Options | Exercise Price<br>\$ | Expiry date        |
|----------------------|----------------------|--------------------|
| 200,000              | 0.30                 | September 17, 2006 |
| 500,000              | 0.35                 | July 19, 2007      |
| 675,000              | 0.50                 | February 01, 2008  |
| 150,000              | 0.50                 | March 3, 2008      |
| 100,000              | 0.50                 | May 26, 2008       |
| <u>525,000</u>       | 0.70                 | May 26, 2008       |
| <u>2,150,000</u>     |                      |                    |

At June 30, 2006, the following Agents options were outstanding

|                |      |                  |
|----------------|------|------------------|
| <u>750,000</u> | 0.70 | October 26, 2007 |
|----------------|------|------------------|

**LOGAN RESOURCES LTD.**  
 (An Exploration Stage Company)  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**THREE MONTH ENDED JUNE 30, 2006**  
 (UNAUDITED – PREPARED BY MANAGEMENT)

**7. SHARE PURCHASE WARRANTS**

At June 30, 2006, the following Share purchase warrants were outstanding

| Number of<br>Warrants | Exercise Price<br>\$ | Expiry date       |
|-----------------------|----------------------|-------------------|
| 1,666,667             | 0.40                 | August 01, 2006   |
| 333,333               | 0.40                 | August 15, 2006   |
| 526,500               | 0.35                 | December 29, 2006 |
| 940,000               | 0.35                 | January 31, 2007  |
| 4,250,000             | 0.70                 | October 26, 2007  |
| <u>222,500</u>        | 0.70                 | November 01, 2007 |
| <u>7,939,000</u>      |                      |                   |

**8. RELATED PARTY TRANSACTIONS AND BALANCES**

|   | June 30<br>2006         | June 30<br>2005          |
|---|-------------------------|--------------------------|
| (a) Transactions during period:   | -                       | -                        |
| Management fees paid to a company controlled by a Director  | 15,000                  | 7,500                    |
| Property supervision fees paid to a company controlled by a Director  | 15,000                  | 8,700                    |
| Rent paid to a company with common officers and directors   | 5,521                   | 3,802                    |
|   | <u>June 30<br/>2006</u> | <u>March 31<br/>2006</u> |
| (b) Balances:   | -                       | -                        |
| Amounts due to related parties represents advances provided by a director and related companies with common directors | 19,999                  | 134,020                  |

**9. SUBSEQUENT EVENTS**

- (a) Pursuant to the Heidi property purchase agreement, the Company issued 100,000 shares at a price of \$0.30 per share to the vendor.
- (b) The Company issued 875,000 shares on warrants exercised at \$0.40 for proceeds of \$350,000.
- (c) The Company granted 250,000 stock options to an employee exercisable at a price of \$0.45 per share for a period of two years.
- (d) The company received \$28,750 from officers/directors for share subscriptions receivable.

**10. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current presentation

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**Logan Resources Ltd.**  
**Management Discussion and Analysis**  
**For the Three Months Ended June 30, 2006**

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## INTRODUCTION

The following management discussion and analysis of the financial position of Logan Resources Ltd. ("Company") and results of operations should be read in conjunction with the interim unaudited financial statements and accompanying notes for the three months ended June 30, 2006. The interim unaudited financial statements together with the following management discussion and analysis are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. All statements, other than those of historical fact, included in this MD&A, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. There can be no assurance such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements.

Readers of this management discussion and analysis are also advised to read the Company's audited financial statements for the year ended March 31, 2006.

## DESCRIPTION OF BUSINESS

Logan Resources Ltd. was incorporated in the Province of British Columbia. It is engaged in the acquisition, exploration and development of mineral properties in British Columbia, Saskatchewan and the Yukon. The Company is a reporting issuer in British Columbia and its shares trade on the TSX Venture Exchange under the symbol LGR.

At this time, the Company does not own any operating mines and has no operating income/sales from mineral production. Funding for operations is raised primarily through public and private share offerings. Future operations and the Company's ability to meet mineral property option commitments are dependent on the Company's ability to raise sufficient funding through share offerings, debt, or operations to support current and future expenditures. At June 30, 2006, the Company had working capital of \$4,521,471.

Realization of the carrying value of mineral interests is dependent upon funding, the ability of the Company and third parties to bring mineral interests into profitable production, or recovery from sale.

The interim unaudited financial statements have been prepared on a going concern assumption which contemplates the company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values may be required.

## FINANCIAL SUMMARY

During the period, the Company raised \$4,562,500 from private placements of 6,250,000 flow-through units at a price of \$0.55 per unit and 2,250,000 non-flow-through units at a price of \$0.50 per unit. The exercising of 234,500 warrants and 225,000 options netted \$172,075. A total of \$512,760 was spent on mineral interest acquisition and exploration expenditures. Administration expenses amounted to \$230,571 before interest received of \$31,010. There was a net increase in cash of \$4,029,119 during the period.

## RESULTS OF OPERATIONS

Net loss in the current period was \$199,561 compared to \$73,131 for the same period in the prior year, reflecting an increase in expenditures of \$126,430. Significant line item changes were as follows:

- Administration salaries increased by \$26,385 due to additional staff resources.
- Professional fees increased by \$27,089 mainly due to increased contracting services.
- Transfer agent and filing fees increased by \$28,710 due to increased expenses relating to the shares issued.
- Interest income of \$31,010 was generated by investment of cash in short term interest bearing deposits.
- Business development expenses increased by \$51,178 due to increased promotional efforts.

## SUMMARY OF QUARTERLY RESULTS

|                    | June 30, 2006 | March 31, 2006 | December 31, 2005 | September 30, 2005 | June 30, 2005 | March 31, 2005 | December 31, 2004 | September 30, 2004 |
|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|-------------------|--------------------|
| Net loss           | (199,561)     | (106,085)      | (73,320)          | (204,999)          | (73,131)      | (184,221)      | (101,500)         | (103,207)          |
| Net loss per share | (0.007)       | (0.005)        | (0.004)           | (0.01)             | (0.004)       | (0.012)        | (0.01)            | (0.01)             |

## **LIQUIDITY**

As at June 2006 the Company had working capital of \$4,521,471 which management considers sufficient to continue operations for the coming year. However, there are insufficient funds to meet all property commitments listed below, as they now stand. The Company will be seeking further funds, from private placement financings, to meet these commitments or may seek extensions to the exploration schedule. Also, in the longer term, in order to continue operations, and in particular, to fund ongoing expenditure commitments as set out in Note 4 in the notes to the financial statements, the Company will need to raise additional capital. The Company plans to do this through private placements and public offerings.

## **CAPITAL RESOURCES AND EXPLORATION EXPENDITURE COMMITMENTS**

The Shell Creek, Heidi, Cheyenne and Albert Creek properties are held under option agreements. Under these agreements the Company must make various cash and stock payments and incur exploration expenditures by various deadlines. Details of these requirements are listed in the notes to the unaudited interim financial statements.

At the date of this report, all cash payments on the above 4 options were up to date and all share payments have been made. Extensions have been received for all exploration expenditure commitments that have not yet been met.

Under the Cheyenne option, cash expenditure requirements for the year ahead amount to approximately \$50,000. The Albert Creek, Antler Creek, Carswell and Redford properties have no further payment requirements, beyond the standard assessment exploration, to stay in good standing. The 75% interest now held in the Albert Creek property can be increased by a further issue of shares at the option of the Company (see notes to financial statements).

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions, the reader is directed to Note 8 to the unaudited interim financial statements and comments included in the March 31, 2006 annual MD&A.

## **EXPLORATION EXPENDITURES**

The Company spent a total of \$512,760 on exploration in the current period. The focus of the work in the current period was on the Company's Shell Creek, Yukon mineral interests where expenditures totaled \$287,825. A total of \$224,935 was spent on the Company's other mineral interests. Full details on exploration expenditures are disclosed in Note 4 accompanying the unaudited interim financial statements. See the mineral property update below, for further details of activities.

## **MINERAL INTERESTS UPDATE**

### **Albert Creek** (*British Columbia*)

The Albert Creek property is located in the Laird Mining Division, in northern BC about 60 km west/southwest of Watson Lake, Yukon. The regional geology is favorable for two kinds of deposits- sedimentary exhalative (Sedex) Zn-Pb-Ag and Polymetallic manto Zn-Pb-Ag.

During the financial year ending March 31, 2006, Logan carried out an exploration program consisting of line cutting, soil geochemistry and magnetic and horizontal loop electromagnetic geophysical surveys. A report dated January 2006 by J.L. LeBel, P.Eng recommends a deep penetrating electromagnetic survey to explore for mineralization at depth greater than 100 m. The Albert Creek claims are in good standing until 2010 and the property is available for option.

### **Antler Creek** (*British Columbia*)

Antler Creek is located in the heart of the historic Barkerville-Wells gold camp, BC. Logan Resources Ltd. is seeking a joint venture partnership for the Antler Creek property.

### **Cheyenne** (*Yukon*)

The Cheyenne Gold Project is 60 km northeast of Dawson City, 1.5 km east of the Dempster Highway, and 30 km west of Logan's Heidi gold property in the Mayo Mining District, Yukon Territory. (For more detail on activities carried out on the Cheyenne Property refer to 'Subsequent Events'.)

**Redford (British Columbia)**

The Redford Property is located 20 km northeast from Ucluelet, Vancouver Island. Logan Resources Ltd. is seeking a joint venture partnership for the Redford property.

**Shell Creek (Yukon)**

The Shell Creek property is located 75 kilometres (~47 miles) northwest of Dawson City, in west-central Yukon Territory. During the first quarter ended June 30, 2006, the Company established a camp and had an exploration crew on the Shell Creek property, conducting ground magnetic surveys and geochemical sampling on the northwest portion of the claim block. These programs have since been completed. Results from the geochemical survey are being analyzed by Acme Labs in Vancouver. The results are expected to be available in the 2006 field season. (Refer to 'Subsequent Events' for details on Logan's drill program examining coincident geological, geochemical, and geophysical targets on the Shell Creek Property).

**Heidi (Yukon)**

The Heidi Property is located approximately 95 km east-northeast of Dawson, Yukon and approximately 30 km east of the Dempster Highway. The property is now drill ready, and an extensive diamond drill program is planned. (Refer to 'Subsequent Events' for more details on Logan's activities on the Heidi Property).

**Carswell Dome (Saskatchewan)**

The property is located on the Carswell Dome Formation, Athabasca Basin, Saskatchewan. The Company optioned the property to ESO Uranium Corp. (formerly Essendon Solutions Inc.). Pursuant to the agreement dated March 15, 2005, the Company granted ESO Uranium Corp. (ESO) the option to earn 50% interest in uranium mineral claims by:

- paying \$25,000
- issuing up to 200,000 common shares in the capital of ESO at a deemed price of \$0.25
- fulfilling a work commitment of \$300,000 on the property over 3 years.

ESO Uranium Corp. drilled the property this year, the results from this drill program are reported on news release issued by Logan Resources Ltd. on Wednesday, May 10, 2006 (News Release # No. 06-12).

The location and direction of the holes drilled provided valuable structural and lithological information that helped identify a virtually untested uranium structure and further defined the model. ESO Uranium has since traced that structure along surface for 700 metres. This structure represents a prime target for a continued drill program. ESO Uranium is earning a 50% interest in Logan's property.

**SUBSEQUENT EVENTS**

- Pursuant to the Heidi property purchase agreement, the Company issued 100,000 shares at a price of \$0.30 per share to the vendor.
- The Company issued 875,000 shares on warrants exercised at \$0.40 for proceeds of \$350,000.
- The Company granted 250,000 stock options to an employee exercisable at a price of \$0.45 per share for a period of two years.
- The company received \$28,750 from officers/directors for share subscriptions receivable.

**Shell Creek Property**

Logan commenced the diamond drill program on the Shell Creek property. The Company plans to test several high priority coincident geochemical and geophysical targets. An area 8 km by 2.5 km is underlain by an extensive copper anomaly along with gold, uranium and rare earth anomalies. Induced polarization surveys have located coincident priority targets. The drill program will consist of approximately 10 holes between 400-600 metres in depth, spotted across the 8 km strike length.

**Heidi Property**

A geological crew has been working on the Heidi gold property during the past several weeks. The holes for the diamond drill program have been spotted. The drill program will test several high priority targets established from the coincident gold geochemical anomaly and the induced polarization survey. Heidi will be drilled following completion of the Shell Creek drill program. A second camp will be established to service both Heidi and Cheyenne shortly.

## **Cheyenne Property**

Company geologists have been on the Cheyenne property collecting samples, reviewing the showings, mapping and establishing targets for the diamond drill program. Rock samples from the main target area, the Golden Wall (gold) target, collected by the Company in early July were sent to Acme Labs in Vancouver for fire assay analysis. No anomalous silver was identified in these samples, the gold results are listed below.

### **Golden Wall (Cheyenne) Rock Sampling July 2006**

| <b>Sample Number</b> | <b>Total Au gm/mt</b> |
|----------------------|-----------------------|
| MH-07-2006-01        | 5.04                  |
| MH-07-2006-02        | 2.16                  |
| MH-07-2006-03        | 0.88                  |
| MH-07-2006-04        | 1.08                  |
| MH-07-2006-05        | 2.17                  |
| MH-07-2006-06        | 3.08                  |

These results confirm the presence of mineralization in the system and the results of previous operators. The mineralized area appears to extend in both directions away from the showing. A geological mapping program as well as a detailed geochemical soil-sampling program is planned to confirm this trend. A trenching-program is also planned to establish continuity of the system and assist in establishing additional diamond drill targets.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.loganresource.ca](http://www.loganresource.ca) and by accessing the Company's news releases and filings on the SEDAR website: [www.sedar.com](http://www.sedar.com) and SEC website: [www.sec.gov](http://www.sec.gov).

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## **CORPORATE INFORMATION**

### **1. DIRECTORS**

Seamus Young, Vancouver, British Columbia  
Peter F. Cummings, Delta, British Columbia  
Judith T. Mazvihwa, Vancouver, British Columbia  
F. Charles Vickers, Jr., Texas  
Clifford H. Frame, Toronto, Ontario

### **2. OFFICERS**

Seamus Young, President and CEO  
Judith T. Mazvihwa, CFO  
Michael W. Hibbitts, VP Exploration

### **3. REGISTERED OFFICE AND LEGAL COUNSEL**

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### **4. AUDITORS**

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### **5. REGISTRAR & TRANSFER AGENT**

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### **6. TRADE SYMBOL**

LGR-V TSX-Venture  
LGREF- PK (USA)