

**LOGAN RESOURCES LTD.**  
INTERIM FINANCIAL STATEMENTS  
SIX MONTHS ENDED SEPTEMBER 30, 2005  
(UNAUDITED – PREPARED BY MANAGEMENT)

The financial statements for the six-month period ended September 30, 2005  
have not been reviewed by the Company's auditors.

**LOGAN RESOURCES LTD.**  
**INTERIM BALANCE SHEETS**  
(UNAUDITED – PREPARED BY MANAGEMENT)

	September 30 2005 - \$ -	March 31 2005 - \$ -
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash	245,140	385,409
Amounts receivable	34,805	17,908
Marketable securities (Note 3)	63,500	63,500
Due from related parties (Note 8)	-	63,357
Prepaid expenses and deposits	-	1,822
Mining exploration tax credit receivable	105,283	23,724
	<b>448,728</b>	<b>555,720</b>
<b>PROPERTY BONDS</b>	<b>5,000</b>	<b>5,000</b>
<b>CAPITAL ASSETS (Note 4)</b>	<b>14,505</b>	<b>2,989</b>
<b>MINERAL INTERESTS (Note 5)</b>	<b>1,393,346</b>	<b>1,047,423</b>
	<b>1,861,579</b>	<b>1,611,132</b>
<b>L I A B I L I T I E S</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	51,053	30,140
Related parties	59,534	14,732
	<b>110,587</b>	<b>44,872</b>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (Note 6)	5,698,546	5,306,546
CONTRIBUTED SURPLUS (Note 7)	341,480	270,618
DEFICIT	(4,289,034)	(4,010,904)
	<b>1,750,992</b>	<b>1,566,260</b>
	<b>1,861,579</b>	<b>1,611,132</b>

**APPROVED BY THE DIRECTORS**

Signed: "Seamus Young"

Signed: "Judith Mazvihwa"

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

	Three Months Ended September 30		Six Months Ended September 30	
	2005 - \$ -	2004 - \$ -	2005 - \$ -	2004 - \$ -
<b>EXPENSES</b>				
Amortization	996	156	1,689	312
Business development	45,054	13,258	68,952	19,063
Gain on option of property	-	(2,000)	-	(2,000)
Investor relations	17,198	5,079	18,293	31,672
Loss on write-off of mineral properties	-	-	-	1,285
Management fees	12,500	8,070	20,000	15,570
Office and miscellaneous	13,071	6,932	27,363	13,478
Professional fees	15,643	19,706	19,367	29,302
Salaries and benefits	20,846	33,814	40,895	49,704
Stock-based compensation	70,862	10,560	70,862	115,560
Transfer agent and filing fees	8,829	7,632	10,709	11,542
	<b>204,999</b>	103,207	<b>278,130</b>	285,488
<b>NET LOSS FOR PERIOD</b>	<b>(204,999)</b>	(103,207)	<b>(278,130)</b>	(285,488)
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(4,084,035)</b>	(3,621,974)	<b>(4,010,904)</b>	(3,439,693)
<b>DEFICIT, END OF PERIOD</b>	<b>(4,289,034)</b>	(3,725,181)	<b>(4,289,034)</b>	(3,725,181)
<b>NET LOSS PER SHARE</b>	<b>(0.01)</b>	(0.01)	<b>(0.02)</b>	(0.02)
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>	17,771,931	12,793,176	17,771,931	12,793,176

- See Accompanying Notes -

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

	Three Months Ended September 30		Six Months Ended September 30	
	2005 - \$ -	2004 - \$ -	2005 - \$ -	2004 - \$ -
<b>CASH FLOWS FROM (USED IN):</b>				
<b>Operating Activities:</b>				
Net loss for the period	(204,999)	(103,207)	(278,130)	(285,488)
Amortization	996	156	1,689	312
Gain on option of property	-	(2,000)	-	(2,000)
Loss on write off of mineral properties	-	-	-	1,285
Stock-based compensation	70,862	10,560	70,862	115,560
Changes in non-cash working capital accounts:				
Accounts payable	(101,598)	(5,785)	20,912	(41,540)
Amounts receivable	(7,068)	(8,940)	(16,897)	(21,512)
Due from a related party	26,777	(20,000)	108,159	(20,000)
Due to related parties	-	86,812	-	58,903
Prepaid expenses and deposits	4,617	(4,309)	1,822	(4,309)
Net cash used in operating activities	(210,413)	(46,713)	(91,583)	(198,789)
<b>Investing Activities:</b>				
Capital assets	(638)	-	(13,204)	(3,416)
Mineral interests	(128,193)	(76,100)	(397,482)	(265,584)
Net cash used in investing activities	(128,831)	(76,100)	(410,686)	(269,000)
<b>Financing Activities:</b>				
Share capital issued	100,000	11,249	362,000	470,402
Share subscriptions applied to capital	-	-	-	(132,750)
Share subscriptions received	-	321,091	-	321,091
Less committed for mineral exploration	-	(104,264)	-	(193,213)
Net cash provided by financing activities	100,000	228,076	362,000	465,530
Increase (decrease) in cash during period	(239,244)	105,263	(140,269)	(2,259)
Cash at beginning of period	484,384	(43,889)	385,409	63,634
Cash at end of period	245,140	61,375	245,140	61,375
<b>Supplementary Cash Flow Information:</b>				
Cash transactions:				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-
Non-cash transactions:				
Mineral expenditure tax credits receivable	81,559	-	81,559	-
Shares issued for acquisition of mineral interest	30,000	-	30,000	-
Shares received for option payments	-	36,000	-	36,000

- See Accompanying Notes -

**LOGAN RESOURCES LTD.**  
**INTERIM NOTES TO FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED SEPTEMBER 30, 2005**  
(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, 2005. 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, 2005.

**3. MARKETABLE SECURITIES**

Marketable securities, recorded at a cost of \$63,500, had a quoted market value of \$81,000 at September 30, 2005. In 2005 marketable securities valued at \$67,000 were received for option payments and written down to market value \$63,500 at March 31, 2005.

**4. CAPITAL ASSETS**

	September 30, 2005			March 31 2005
	Cost - \$ -	Accumulated Amortization - \$ -	Net Book Value - \$ -	Net Book Value - \$ -
Computer equipment	3,254	1,322	1,932	-
Office furniture and equipment	8,638	745	7,893	355
Field equipment	3,010	753	2,257	2,634
Software	2,769	346	2,423	-
	17,671	3,166	14,505	2,989

**LOGAN RESOURCES LTD.**  
**INTERIM NOTES TO FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED SEPTEMBER 30, 2005**  
(UNAUDITED – PREPARED BY MANAGEMENT)

**5. MINERAL INTERESTS**

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

	September 30 2005	Current expenditures	March 31 2005
	- \$ -	- \$ -	- \$ -
a) Albert Creek, British Columbia			
Acquisition costs	34,000	-	34,000
Cumulative exploration expenditures	148,058	-	148,058
Equipment rental	1,500	1,500	-
	<u>183,558</u>	<u>1,500</u>	<u>182,058</u>
b) Antler Creek, British Columbia			
Acquisition costs	28,773	-	28,773
Cumulative exploration expenditures	28,899	-	28,899
Filing fees	604	604	-
Field supervision	1,000	1,000	-
Surveys	2,655	2,655	-
	<u>61,931</u>	<u>4,259</u>	<u>57,672</u>
c) Carswell, Saskatchewan			
Cumulative exploration expenditures	15,683	-	15,683
Option payments received	(15,683)	-	(15,683)
Field supervision	1,750	1,750	-
	<u>1,750</u>	<u>1,750</u>	<u>-</u>
d) Heidi, Yukon			
Acquisition costs	186,451	47,500	138,951
Cumulative exploration expenditures	49,768	-	49,768
Assay	250	250	-
Field supervision	971	971	-
Geologist	117	117	-
Licenses and permits	2,500	2,500	-
Mapping	194	194	-
Miscellaneous	60	60	-
Surveys	500	500	-
Wages	500	500	-
Tax credits recoverable	(1,030)	(1,030)	-
	<u>240,281</u>	<u>51,562</u>	<u>188,719</u>
e) Redford, British Columbia			
Acquisition costs	32,287	-	32,287
Cumulative exploration expenditures	260,043	-	260,043
	<u>292,330</u>	<u>-</u>	<u>292,330</u>
f) Shell Creek, Yukon			
Acquisition costs	242,781	23,506	219,275
Cumulative exploration expenditures	107,369	-	107,369
Assay	17,552	17,552	-
Camp Supplies	5,679	5,679	-
Field supervision	14,421	14,421	-
Filing fees	7,338	7,338	-
Geochem surveys	12,600	12,600	-
Geologist	4,115	4,115	-
Helicopter	152,807	152,807	-
Licenses and permits	2,500	2,500	-
Line cutting	13,400	13,400	-
Miscellaneous	1,881	1,881	-
Mobilization	3,468	3,468	-
Surveys	88,397	88,397	-
Wages	19,717	19,717	-
Tax credits recoverable	(80,529)	(80,529)	-
	<u>613,496</u>	<u>286,852</u>	<u>326,644</u>
<b>Total Exploration Expenditures</b>	<u>1,393,346</u>	<u>345,923</u>	<u>1,047,423</u>

**LOGAN RESOURCES LTD.**  
**INTERIM NOTES TO FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED SEPTEMBER 30, 2005**  
(UNAUDITED – PREPARED BY MANAGEMENT)

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**5. MINERAL INTERESTS (Continued)**

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.

Pursuant to an option agreement dated April 15, 2004, amended September 7, 2004, the Company granted an option to a third party to earn a 51% interest in the Albert Creek Property.

To earn this interest the Optionee issued 150,000 of its shares and must incur a total of \$300,000 in exploration expenditures as follows:

- (i) \$100,000 on or before February 15, 2005 (extended);
- (ii) a further \$100,000 on or before February 15, 2006; and
- (iii) a further \$100,000 on or before February 15, 2007.

Upon completion of the above expenditures, the Optionee will have the right to earn a further 20% interest in the property by delivering a bankable feasibility study.

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)

During the prior year, the Company staked 2 claims covering a total area of 7,604 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.

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 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;
- (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.

**LOGAN RESOURCES LTD.**  
**INTERIM NOTES TO FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED SEPTEMBER 30, 2005**  
(UNAUDITED – PREPARED BY MANAGEMENT)

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**5. MINERAL INTERESTS (Continued)**

d) Heidi Property (Mayo Mining District, Y.T.)

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;
- (ii) a further \$10,000 paid on or before July 15, 2003;
- (iii) a further \$15,000 paid on or before January 15, 2004;
- (iv) a further \$15,000 paid on or before July 15, 2004;
- (v) a further \$17,500 paid on or before January 15, 2005;
- (vi) a further \$17,500 paid on or before July 15, 2005;
- (vii) a further \$20,000 to be paid on or before January 15, 2006;
- (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;
- (iii) 50,000 shares issued on or before January 15, 2004;
- (iv) 50,000 shares issued on or before July 15, 2004;
- (v) 100,000 shares issued on or before January 15, 2005;
- (vi) 100,000 shares to be issued on or before July 15, 2005;
- (vii) 100,000 shares to be issued on or before January 15, 2006;
- (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 (date extended by the Optionor);
- (ii) \$175,000 in aggregate by April 8, 2005 (date extended by the Optionor);
- (iii) \$300,000 in aggregate by April 8, 2006;
- (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%.

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

e) 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.

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**INTERIM NOTES TO FINANCIAL STATEMENTS**  
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**5. MINERAL INTERESTS (Continued)**

f) Shell Creek Property (Dawson Mining District, Y.T.)

The Shell Creek property consists of 488 mineral claims in the Dawson Mining District, Yukon Territory. 418 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;
- (ii) a further \$15,000 paid upon acceptance of the option agreement by the TSX Venture Exchange;
- (iii) a further \$25,000 paid on or before January 1, 2004;
- (iv) a further \$30,000 paid on or before January 1, 2005;
- (v) a further \$35,000 to be paid on or before January 1, 2006; 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;
- (ii) a further 100,000 shares issued on or before July 1, 2003;
- (iii) a further 200,000 shares issued on or before January 1, 2004;
- (iv) a further 100,000 shares issued on or before January 1, 2005;
- (v) a further 100,000 shares to be issued on or before January 1, 2006;
- (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 (date extended by the Optionor);
- (ii) \$350,000 in aggregate before January 1, 2005 (date extended by the Optionor);
- (iii) \$650,000 in aggregate before January 1, 2006;
- (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%.

- h) The Company applies for Mining Exploration Tax Credits ("METC") on qualifying mineral exploration expenditures incurred. METC's for the period, totalling \$81,559, were accrued at September 30, 2005 (March 31, 2005 - \$23,724)

**6. SHARE CAPITAL**

Authorized

100,000,000 common shares without par value

Issued and outstanding:

	# of shares	- \$ -
Balance - March 31, 2005	16,581,530	5,306,546
Private placement (a)	333,333	100,000
Shares issued for mineral interest (b)	100,000	30,000
Warrants exercised	1,395,000	262,000
<b>Balance - September 30, 2005</b>	<b>18,409,863</b>	<b>5,698,546</b>

**LOGAN RESOURCES LTD.**  
**INTERIM NOTES TO FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED SEPTEMBER 30, 2005**  
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**6. SHARE CAPITAL (Continued)**

- (a) The Company issued 333,333 units at a price of \$0.30 per unit. Each unit consists of one share and one share purchase warrant exercisable at a price of \$0.40 per share for a period of twelve months.
- (b) Pursuant to a property purchase agreement the Company issued 100,000 shares at a price of \$0.30 per share to the vendor.

**7. STOCK OPTIONS**

During the period, the Company issued 600,000 stock options. The fair value of stock options granted was \$70,862 and was recognized as compensation expense in the current period and recorded in equity as contributed surplus. The fair value of options issued has been determined using the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	2.63%
Dividend yield	0%
Volatility factor of the expected market price of the shares	131%
Average expected option life	2 years
Fair value per share of options granted in period	\$0.118

The Company currently has no long-term incentive plans other than incentive stock options granted from time to time by the Board of Directors in accordance with the Company's stock option plan. Under the terms of this plan the Company is limited in the number of options it can grant to 10% of issued and outstanding shares.

**8. RELATED PARTY TRANSACTIONS AND BALANCES**

	September 30 2005	September 30 2004
(a) Transactions during period:	-	-
Management fees paid to a company controlled by a Director	7,500	7,500
Property supervision fees paid to a company controlled by a Director	8,700	9,000
Rent paid to a company with common directors	3,802	3,457
	September 30 2005	March 31 2005
(b) Balances:	-	-
Amounts due to related parties represent advances provided by a director and related companies with common directors	59,534	78,089

**9. COMPARATIVE FIGURES**

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