



FORM 10-Q

BULLION RIVER GOLD CORP – BLRV

Filed: August 14, 2006 (period: June 30, 2006)

Quarterly report which provides a continuing view of a company's financial position

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FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 333-85414

BULLION RIVER GOLD CORP.

(Name of Small Business Issuer in its Charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

98-0377992
(I.R.S. Employer I.D. No.)

3500 Lakeside Court, Suite 200
Reno, Nevada 89509
(Address of Principal Executive Office)

Issuer's Telephone Number, including Area Code: (775)324-4881

Check whether the Issuer (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes No (2) Yes No

Indicate by check mark whether the Issuer is a shell company (as defined by Rule 12b-2 of the Exchange Act) Yes No

Applicable Only to Issuers Involved in Bankruptcy
Proceedings During the Preceding Five Years

Not applicable.

Applicable Only to Corporate Issuers

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date: August 14, 2006 - 57,944,226

Transitional small business disclosure format (check one): Yes No

Item 1. Financial Statements.

The Financial Statements of the Registrant required to be filed with this 10-QSB Quarterly Report were prepared by management, and commence on the following page, together with Related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Registrant.

Bullion River Gold Corp.
(An Exploration Stage Company)
Consolidated Balance Sheets
As of June 30, 2006 and December 31, 2005

	June 30	December 31
	2006	2005
	(Unaudited)	
ASSETS		
Current Assets:		
Cash	\$ 288,741	\$ 124,788
Prepays & Other Current	322,738	394,396
Inventory	110,008	66,404
Total Current Assets	721,487	585,588
Fixed Assets:		
Fixed Assets	2,329,601	586,825
Less Accumulated Depreciation	(266,038)	(102,676)
Total Fixed Assets	2,063,563	484,149
Other Assets:		
Deposits	318,523	440,176
Total Other	318,523	440,176
Total Assets	\$ 3,103,573	\$ 1,509,913
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable and Accruals	\$ 841,028	\$ 309,640
Other Current Liabilities	-	170,758
Loans From Related Parties	-	13,453
Current Portion of Capital Lease Obligations	124,371	63,216
Total Current Liabilities	965,399	557,067
Long Term Liabilities:		
Long Term Capital Lease Obligations	208,395	128,281
Long Term Reclamation Obligations	106,070	103,041
Total Long Term Liabilities	314,465	231,322
Total Liabilities	1,279,864	788,389
Shareholders' Equity		
Common Stock		
Authorized 200,000,000 common shares, \$0.001 par value.		
Issued and outstanding 56,121,881 and 39,243,581, respectively	56,122	39,244
Additional Paid In Capital	16,235,677	8,825,579
Shares Subscribed	60,000	387,500
Deficit Accumulated During The Exploration Stage	(14,528,090)	(8,530,799)
Total Shareholders' Equity	1,823,709	721,524
Total Liabilities & Shareholders' Equity	\$ 3,103,573	\$ 1,509,913

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

Bullion River Gold Corp.
(An Exploration Stage Company)
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Six Months Ended		From Inception	
	June 30		June 30		June 29, 2001	
	2006	2005	2006	2005	to June 30, 2006	
Operating Revenue:	\$	-	\$	-	\$	-
Operating Expenses:						
Exploration	2,384,972	1,172,317	3,867,296	2,229,651	9,045,232	
Mill Operations	472,098	-	504,859	-	504,859	
Salaries & Wages	258,743	207,027	428,660	346,091	1,031,851	
Payroll Burden	57,352	26,074	107,894	43,537	207,292	
Employee Related	111,479	1,230	142,440	2,548	174,291	
Professional Fees	88,259	116,413	234,212	346,063	1,193,211	
Consulting	19,589	37,873	27,771	96,548	384,739	
Office	41,734	14,870	60,293	31,791	154,262	
Travel Related	55,664	59,836	116,840	126,310	414,175	
Licenses & Fees	458	2,660	1,211	3,258	44,531	
Investor Communications	109,111	67,201	225,878	142,286	769,141	
Insurance	14,288	7,235	27,722	28,978	108,912	
Rent	24,165	12,971	37,191	26,058	108,925	
Utilities	24,632	10,149	37,003	13,476	78,889	
Bank Charges	778	1,912	2,254	7,627	19,424	
Miscellaneous	1	25,579	1,598	25,579	(27,920)	
Accretion	1,499	-	3,029	-	5,069	
Depreciation	100,423	12,314	164,034	23,835	266,710	
Total Operating Expenses	3,765,245	1,775,661	5,990,185	3,493,636	14,483,593	
Loss From Operations	(3,765,245)	(1,775,661)	(5,990,185)	(3,493,636)	(14,483,593)	
Other Income (Expense):						
Non-Operating Income	4,861	-	14,875	-	73,809	
Gain on extinguishment of debt	-	-	-	-	32,215	
Interest Expense	(12,271)	-	(22,401)	-	(93,989)	
Other Non-Operating	1,608	(747)	420	(1,600)	(56,532)	
Total Other Income (Expense)	(5,802)	(747)	(7,106)	(1,600)	(44,497)	
Net Loss Before Income Taxes	(3,771,047)	(1,776,408)	(5,997,291)	(3,495,236)	(14,528,090)	
Income Taxes	-	-	-	-	-	
NET LOSS FOR PERIOD	\$ (3,771,047)	\$ (1,776,408)	\$ (5,997,291)	\$ (3,495,236)	\$ (14,528,090)	
BASIC AND DILUTED						
LOSS PER SHARE	\$ (0.07)	\$ (0.06)	\$ (0.12)	\$ (0.12)		
WEIGHTED AVERAGE SHARES						
OUTSTANDING	51,184,551	31,748,791	48,856,664	30,237,184		

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

BULLION RIVER GOLD CORP.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(LOSS)

For the period from Inception June 29, 2001 to June 30, 2006

	<u>Common Stock Issued</u>		Additional Paid in Capital	Common Shares Subscribed		Deficit Accumulated	Accumulated	Total
	Number of Shares	Amount		Number of Shares	Amount	During the Development Stage	Other Comprehensive Income (Loss)	
Balance, June 29, 2001	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Issuance of common shares for cash, August 8, 2001	1,000,000	1,000	-	-	-	-	-	1,000
Issuance of common shares for cash, December 6, 2001	1,400,000	1,400	12,600	-	-	-	-	14,000
Net loss, for the twelve month period ended, December 31, 2001	-	-	-	-	-	(1,000)	-	(1,000)
Balance, December 31, 2001	2,400,000	2,400	12,600	-	-	(1,000)	-	14,000
Issuance of common shares for cash, November 26 to December 16, 2002	208,500	208	20,642	-	-	-	-	20,850
Net loss, for the twelve month period ended, December 31, 2002	-	-	-	-	-	(43,348)	-	(43,348)
Balance, December 31, 2002	2,608,500	2,608	33,242	-	-	(44,348)	-	(8,498)
Issuance of common shares for cash, January 7, 2003	95,000	95	9,405	-	-	-	-	9,500
Issuance of common shares for cash, January 9, 2003	80,000	80	7,920	-	-	-	-	8,000
Issuance of common shares for cash, February 7, 2003	110,000	110	10,890	-	-	-	-	11,000
Issuance of common shares for cash, February 18, 2003	106,500	107	10,543	-	-	-	-	10,650
Commons shares cancelled, December 2, 2003	(2,000,000)	(2,000)	2,000	-	-	-	-	-
Issuance of nine for one common stock dividend, December 9, 2003	9,000,000	9,000	(9,000)	-	-	-	-	-
Net loss, for the twelve month period ended, December 31, 2003	-	-	-	-	-	(101,215)	-	(101,215)
Balance, December 31, 2003	10,000,000	10,000	65,000	-	-	(145,563)	-	(70,563)
Issuance of one and one half for one common stock dividend, January 13, 2004	15,000,003	15,000	(15,000)	-	-	-	-	-
Issuance of common shares for finders fee, March 18, 2004	25,000	25	28,725	-	-	-	-	28,750
Issuance of common shares for consulting fees, March 18, 2004	30,000	30	34,470	-	-	-	-	34,500
Issuance of common shares for property option payment, March 18, 2004	30,000	30	34,470	-	-	-	-	34,500
Common stock subscribed January 19, 2004	-	-	-	125,000	125,000	-	-	125,000
Common stock subscribed March 25, 2004	-	-	-	850,000	850,000	-	-	850,000
Issuance of 850,000 units for cash, Reg S, April 15, 2004	850,000	850	849,150	(850,000)	(850,000)	-	-	-
Issuance of 125,000 units for cash, Reg S, April 30, 2004	125,000	125	124,875	(125,000)	(125,000)	-	-	-
Issuance of common shares for consulting fees, July 20, 2004	30,000	30	30,870	-	-	-	-	30,900
Issuance of 50,000 units for cash, Reg S, July 20, 2004	50,000	50	49,950	-	-	-	-	50,000
Issuance of 200,000 units for debt, Reg S, September 16, 2004	200,000	200	199,800	-	-	-	-	200,000
Issuance of 93,334 units for debt, Reg S, September 29, 2004	93,334	94	69,906	-	-	-	-	70,000

(CONTINUED ON FOLLOWING PAGE)

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

ended, December 31, 2005						(5,420,051)		(5,420,051)
Balance December 31, 2005	39,243,581	39,244	8,825,579	775,000	387,500	(8,530,799)	-	721,524

(CONTINUED ON FOLLOWING PAGE)

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

BULLION RIVER GOLD CORP.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(LOSS)
For the period from Inception June 29, 2001 to June 30, 2006

	<u>Common Stock Issued</u>		Additional Paid in Capital	Common Shares Subscribed		Deficit		Total
	Number of Shares	Amount		Number of Shares	Amount	Accumulated During the Development Stage	Accumulated Other Comprehensive Income (Loss)	
Common stock issued January 3, 2006 for cash (Unaudited)	450,000	450	224,550	-	-	-	-	225,000
Common stock issued January 18, 2006 for cash (Unaudited)	50,000	50	24,950	-	-	-	-	25,000
Common stock issued January 19, 2006 for cash (Unaudited)	50,000	50	24,950	-	-	-	-	25,000
Common stock subscribed in January in exchange for property purchase option (Unaudited)	-	-	-	250,000	125,000	-	-	125,000
Common stock issued January 23, 2006 for cash (Unaudited)	6,644,000	6,644	3,315,356	(775,000)	(387,500)	-	-	2,934,500
Common stock issued January 23, 2006 for services rendered (Unaudited)	325,000	325	162,175	-	-	-	-	162,500
Common stock issued January 23, 2006 related to anti-dilution clauses in prior offerings (Unaudited)	2,091,294	2,091	(2,091)	-	-	-	-	-
Common stock subscribed January 23, 2006 for cash (Unaudited)	-	-	-	90,000	45,000	-	-	45,000
Common stock subscribed February 8, 2006 for cash (Unaudited)	-	-	-	100,000	50,000	-	-	50,000
Common stock subscribed March 23, 2006 for cash (Unaudited)	-	-	-	100,000	50,000	-	-	50,000
Share Issue costs incurred during Q1(Unaudited)	-	-	(365,500)	-	-	-	-	(365,500)
Warrants issued to satisfy finders' fee obligations (Unaudited)	-	-	98,808	-	-	-	-	98,808
Common stock issued May 1, 2006 for shares subscribed (Unaudited)	-	-	-	(540,000)	(270,000)	-	-	(270,000)
Common stock issued May 1, 2006 for cash (Unaudited)	555,000	555	276,945	-	-	-	-	277,500
Common stock issued May 19, 2006 for services rendered (Unaudited)	3,148,336	3,148	1,571,020	-	-	-	-	1,574,168
Common stock issued May 19, 2006 for services rendered (Unaudited)	32,386	32	16,161	-	-	-	-	16,193
Common stock issued June 5, 2006 for cash (Unaudited)	133,280	133	66,507	-	-	-	-	66,640
Common stock issued June 9, 2006 for cash (Unaudited)	715,000	715	356,735	-	-	-	-	357,500
Common stock issued June 16, 2006 for cash (Unaudited)	83,334	83	41,584	-	-	-	-	41,667
Common stock issued June 20, 2006 for cash (Unaudited)	1,500,000	1,500	748,500	-	-	-	-	750,000
Recalled Ratchet Shares issued in Q1 on June 26, 2006 (Unaudited)	(166,667)	(165)	165	-	-	-	-	-
Common stock subscribed June 27, 2006 for cash (Unaudited)	-	-	-	80,000	60,000	-	-	60,000
Common stock issued June 29, 2006 for cash (Unaudited)	1,033,337	1,033	773,967	-	-	-	-	775,000
Common stock issued June 29, 2006	234,000	234	175,266	-	-	-	-	175,500

for purchase option reduction (Unaudited)								
Share Issue costs incurred during Q2 (Unaudited)	-	-	(100,000)	-	-	-	-	(100,000)
Net Loss for the three month period ended, June 30, 2006 (Unaudited)	-	-	-	-	-	(5,997,291)	-	(5,997,291)
Balance June 30, 2006	56,121,881	\$ 56,122	\$ 16,235,677	80,000	\$ 60,000	\$ (14,528,090)	\$ -	\$ 1,823,709

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

Bullion River Gold Corp.
(An Exploration Stage Company)
Consolidated Cash Flow Statements
(Unaudited)

	<u>Six Months Ended</u> <u>June 30</u>		<u>From Inception,</u> <u>June 29, 2001 to</u> <u>June 30, 2006</u>
	<u>2006</u>	<u>2005</u>	
CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss for the Period	\$ (5,997,291)	\$ (3,495,236)	\$ (14,528,090)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation Expense	164,034	23,835	266,710
Accretion Expense	3,029	-	5,070
Gain on Extinguishment of Debt	-	-	(32,215)
Loss on other	1,188	-	1,188
Common Stock issued for services and related expense	316,693	-	445,343
Changes in operating assets and liabilities:			
(Increase) Decrease in Prepaids & Other Current Assets	71,658	(44,564)	(322,737)
(Increase) Decrease in Accounts Receivable	-	-	-
(Increase) Decrease in Inventory	(43,604)	-	(110,008)
(Increase) Decrease in Deposits	121,653	(71,850)	(318,523)
Increase (Decrease) in Accounts Payable/Accrued	531,388	265,255	854,364
Increase (Decrease) in Other current liabilities	(170,758)	-	(98,808)
Increase (Decrease) in Reclamation Obligation	-	-	101,000
NET CASH USED IN OPERATING ACTIVITIES	(5,002,010)	(3,322,560)	(13,736,706)
NET CASH USED IN INVESTING ACTIVITIES			
Purchase of fixed assets	(1,603,367)	(74,802)	(1,998,697)
NET CASH USED IN INVESTING ACTIVITIES	(1,603,367)	(74,802)	(1,998,697)
NET CASH RECEIVED IN FINANCING ACTIVITIES			
Advance payable	-	-	118,880
Loans from related parties	(13,453)	-	-
Loan payable	-	(15,000)	170,000
Cash proceeds from sale of common shares	7,799,591	3,190,246	16,878,152
Cash proceeds from shares subscribed	(452,500)	-	(65,000)
Offering Costs	(564,308)	-	(1,077,888)
NET CASH RECEIVED FROM FINANCING ACTIVITIES	6,769,330	3,175,246	16,024,144
Effect of exchange rate changes on cash	-	55	-
INCREASE (DECREASE) IN CASH	163,953	(222,061)	288,741
CASH, BEGINNING OF THE PERIOD (January 1)	124,788	273,331	-
CASH, END OF PERIOD	\$ 288,741	\$ 51,270	\$ 288,741

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

BULLION RIVER GOLD CORP.
(An Exploration Stage Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2006

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

NATURE OF OPERATIONS

Bullion River Gold Corporation (“Bullion River”, the “Company”) was incorporated under the laws of the State of Nevada on June 29, 2001 under the original name “Dynasty International Corporation”. The company was a specialty retailer of home water quality testing kits and water purification devices until December 9, 2003 when the business direction was changed to the exploration of gold and silver in the western United States.

The Company has six wholly owned subsidiaries all incorporated in the State of Nevada.

- On December 9, 2003, five of the six current subsidiaries were incorporated and sold to Bullion River. These subsidiaries are Antone Canyon Mining Corp., Cimarron Mining Corp., Corcoran Canyon Mining Corp., North Fork Mining Corp., and Thomas Creek Mining Corp. The Company changed the name of Thomas Creek Mining Corp. to Wenban Spring Mining Corp. on September 28, 2004. In 2004 the Company acquired seven separate option agreements and staked and registered its 100% interest in 41 unpatented mineral claims in the Painted Hills district in Humboldt County, Nevada.
- On September 30, 2004, the Company acquired all of the issued and outstanding shares of French Gulch (Nevada) Mining Corporation, which was incorporated on September 30, 2004.

See “Management’s Discussion and Analysis” and “Plan of Operations” below for more information.

On January 20, 2004, the company changed its name to “Bullion River Gold Corp.” Bullion River has an authorized capital of 200,000,000 common shares with a par value of \$0.001. As of June 30, 2006, there were 56,121,881 common shares issued and outstanding.

BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month periods ended June 30, 2006 and 2005 are not necessarily indicative of the results that may be expected for any interim period or the entire year. For further information, these consolidated financial statements and the related notes should be read in conjunction with the company’s audited financial statements for the year ended December 31, 2005 included in the company’s annual report on Form 10-KSB.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies is included in the Company's 2005 Annual Report. Additional significant accounting policies which affect the Company or which have been developed since December 31, 2005 are summarized below:

EXPLORATION STAGE ACTIVITIES

The Company has not commenced significant operations and, in accordance with SFAS No. 7, the Company was considered a development stage company until it changed business direction in December 2003 and became an exploration company.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

INVENTORIES

Materials and supplies related to underground mine development are stated at cost (first-in, first-out).

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, contingent liabilities, revenues and expenses at the date and for the periods that the financial statements are prepared. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and certificates of deposit held in U.S. banks that have deposit insurance thus limiting the amount of credit exposure.

REVENUE RECOGNITION

Gold and silver sales will be recognized when the title passes to the purchaser and delivery occurs.

INCOME TAXES

Income tax expense is based on pre-tax financial accounting income. The Company will recognize deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and the laws that are expected to be in effect when the differences are expected to be recovered.

BASIC AND DILUTED NET LOSS PER COMMON SHARE

Basic loss per share includes no dilution and is computed by dividing net loss by the weighted average number of outstanding common shares during the year. Diluted earnings per share reflect the potential dilution of securities that would occur if securities or other contracts (such as stock options and warrants) to issue common stock were exercised or converted into common stock. At June 30, 2006, the Company had no options outstanding. At June 30, 2006, the Company had 31,029,194 warrants outstanding.

LEASES

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases, net of any incentives received by the Company from the leasing company, are charged to the statement of operations and comprehensive loss on a straight-line basis over the period.

Other leases are accounted for as capital leases.

FIXED ASSETS

Office furniture, equipment, telephone system, computer hardware, and computer software are stated at cost. Depreciation is computed over the estimated useful life of the depreciable assets using the straight-line method. The useful life for the fixed assets is estimated as follows with no salvage value:

Furniture	3 to 5 years
Equipment	2 to 7 years
Telephone System	5 years
Computer Hardware	3 years
Computer Software	2 years

The fixed assets are reviewed each year to determine whether any events or circumstances indicate that the carrying amount of the assets may not be recoverable. Such review is performed based on estimated undiscounted cash flows compared with the carrying value of the assets. If the future cash flows (undiscounted and without interest charges) are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

COMPREHENSIVE INCOME

Comprehensive income reflects changes in equity that result from transactions and economic events from non-owner sources. Comprehensive income for the current period represents foreign currency translation items associated with the Company's accounts payable.

MINERAL PROPERTY OPTION PAYMENTS AND EXPLORATION COSTS

The Company will expense all operating costs related to the maintenance and exploration of mineral claims in which it has secured exploration rights prior to establishment of proven and probable reserves.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company recognizes impairment of long-lived assets in the event that the net book value of such assets exceeds the future undiscounted cash flows attributed to such assets. No impairment of long-lived assets was recognized for the quarter ended June 30, 2006.

CLOSURE, RECLAMATION AND REMEDIATION COSTS

Current laws and regulations require certain closure, reclamation and remediation work to be done on mineral properties as a result of exploration, development and operating activities. The Company periodically reviews the activities performed on its mineral properties and makes estimates of closure, reclamation and remediation work that will need to be performed as required by those laws and regulations and makes estimates of amounts that are expected to be incurred when the closure, reclamation and remediation work is expected to be performed. Future closure, reclamation and environmental related expenditures are difficult to estimate in many circumstances due to the early stages of investigation, uncertainties associated with defining the nature and extent of environmental contamination, the uncertainties relating to specific reclamation and remediation methods and costs, application and changing of environmental laws, regulations and interpretation by regulatory authorities and the possible participation of other potentially responsible parties.

The Company has estimated costs associated with the closure, reclamation and related environmental expenditures of the French Gulch and North Fork properties, which have been reflected in its financial statements in accordance with the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "Accounting for Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. See Note 4 for a related discussion.

STOCK OPTIONS

In December 2004, the Financial Accounting Standard Board ("FASB") issued SFAS 123R, "Share-Based Payments" ("SFAS No. 123R"), a revision of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which requires companies to measure all employee stock-based compensation awards using a fair value method and record such expense in their financial statements. The Company adopted this standard effective January 1, 2006 and elected the modified-prospective transition method. Under the modified-prospective transition method, awards that are granted, modified, repurchased or cancelled after the date of adoption should be measured and accounted for in accordance with SFAS No. 123R. Because the Company had no options outstanding as of June 30, 2006 there is no charge attributable to the periods ended June 30, 2006 and June 30, 2005.

NOTE 3 – GOING CONCERN

As shown in the accompanying financial statements, the Company has incurred significant operating losses since inception, and as of June 30, 2006, the Company has limited financial resources to support it until such time that it is able to generate positive cash flow from operations. The Company's ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to locate a profitable mineral property, generate revenues from its planned business operations, and control exploration costs. The Company has been focusing on implementing its business plan and additional financing will be required by the Company to fund its exploration programs and to support operations. Management plans to fund its future operations through private placement offerings, private loans, and revenue derived from bulk sampling at French Gulch. Management plans to mitigate its losses by abandoning projects that do not meet management's specification for mineralization or do not have adequate tonnage potential. However, there is no assurance that the Company will be able to obtain additional financing from investors or private lenders. There is no assurance that the Company will be able to generate revenues in the future. There is no assurance that they will be able to find projects meeting their specifications for mineralization or that the projects will have adequate tonnage potential. There is no assurance that the Company will commence commercial production should they find projects meeting their specification. The financial statements do not include any adjustments that might result from the outcome of those uncertainties.

NOTE 4 – RECLAMATION ASSET AND OBLIGATION

The Company became subject to and adopted SFAS No. 143, Accounting for Asset Retirement Obligations, which establishes a uniform methodology for accounting for estimated reclamation and abandonment costs. At December 31, 2005, the Company recognized a reclamation obligation for the estimated reclamation costs related to the French Gulch and North Fork properties. The related costs have been expensed since none of the Company properties were in production or had proven or probable mineral reserves.

The accretion of the reclamation obligation has been recorded as a separate operating expense in the Company's statement of operations with a corresponding increase in the reclamation liability. Below are the reclamation obligation and accretion entries as of June 30, 2006.

French Gulch

In connection with the new reclamation permit obtained in December 2005, the Company estimated reclamation costs to be \$71,200 based on the new operating plan for the French Gulch property. At an accretion rate of 6%, the Company has expensed \$2,142, for the six months ended June 30, 2006. The total reclamation obligation as of June 30, 2006 is \$73,342.

North Fork

The Company put the initial reclamation permit in place in March 2004 with a supplemental permit in May 2005 based on its updated operating plan. In connection with these permits, the Company estimated reclamation costs to be \$31,841 as of December 31, 2005 for the North Fork property. At an accretion rate of 6%, the Company has expensed \$887, for the six months ended June 30, 2006. Total reclamation obligation as of June 30, 2006 is \$32,782.

The following is a description of the changes to the Company's reclamation liability and expenses as of June 30, 2006:

Estimated Reclamation Expense as of December 31, 2005 (Exploration)

French Gulch	\$	71,200
North Fork		<u>31,841</u>
Reclamation Obligation subtotal before Accretion		103,041

Changes to Reclamation Obligation for the period ending June 30, 2006

French Gulch Accretion Expense		2,142
North Fork Accretion Expense		<u>887</u>
Increase to Reclamation Obligation		<u>3,029</u>
Total Reclamation Obligation	\$	<u><u>106,070</u></u>

NOTE 5 – COMMON STOCK

On May 1, 2006, the Company issued 290,000 restricted units to three subscribers from shares subscribed on April 20, 2006 in the amount of \$145,000 as part of the \$0.50 unit offering.

On May 1, 2006, the Company issued 250,000 restricted units to Senator Minerals from shares subscribed on April 20, 2006 for the option agreement entered into on January 19, 2006.

On May 1, 2006, the Company raised \$7,500 in cash from the \$0.50 unit offering and issued 15,000 restricted units to one subscriber.

On May 19, 2006, the Company raised \$1,107,500, in cash from the \$0.50 unit offering and issued 2,215,000 restricted units to fifteen subscribers.

On May 19, 2006, the Company issued 32,386 restricted units at \$0.50 per unit under Reg D as part of a severance package for a Company director.

On May 19, 2006, the Company raised \$466,668, in cash from the conversion \$0.50 warrants issuing 933,336 common shares to six warrant holders.

On June 5, 2006, the Company raised \$66,640, in cash from the conversion \$0.50 warrants issuing 133,280 common shares to one warrant holder.

On June 9, 2006, the Company raised \$257,500 in cash from the \$0.50 unit offering and issued 515,000 restricted units to eight subscribers.

On June 9, 2006, the Company issued 200,000 restricted units at \$0.50 per unit under Reg S as a reinvestment of finder's fees for the current offering.

On June 16, 2006, the Company raised \$41,667 in cash from the conversion \$0.50 warrants issuing 83,334 common shares to two warrant holders.

On June 20, 2006, the Company raised \$750,000 in cash from the \$0.50 unit offering and issued 1,500,000 restricted units to three subscribers.

On June 26, 2006, the Company recalled 166,667 restricted units at \$0.50 per unit that were issued in error under certain anti-dilution clauses from a prior private offering.

On June 27, 2006, the Company raised \$60,000 for 80,000 shares subscribed at \$0.75 per unit, but not issued.

On June 29, the Company raised \$775,002 in cash from the \$0.75 unit offering and issued 1,033,337 restricted units to nine subscribers.

On June 29, 2006, the Company issued 234,000 restricted units at \$0.75 per unit under Reg D as a reduction towards the total purchase price of the French Gulch purchase option.

The Company incurred \$100,000 in finders' fees for monies raised during the 2nd quarter 2006.

NOTE 6 – STOCK OPTIONS AND WARRANTS

At June 30, 2006, the Company had zero stock options outstanding. At June 30, 2006, the Company had the following warrants outstanding:

**Consolidated Warrants Outstanding
As of June 30, 2006**

<u>Issuance Date</u>	<u>Expiration Date</u>	<u>Total Warrants</u>
04/15/04	04/15/07	850,000
04/30/04	04/30/07	125,000
07/20/04	07/20/07	50,000
09/29/04	09/29/07	1,293,335
11/16/04	11/16/07	299,000
12/10/04	12/10/07	185,333
12/16/04	12/16/07	63,467
12/30/04	12/30/07	367,999
01/05/05	01/05/08	25,000
02/02/05	02/02/08	290,000
02/16/05	02/16/08	50,000
03/22/05	03/22/08	481,000
04/14/05	04/14/08	22,000
04/27/05	04/27/08	7,600
04/29/05	04/29/08	1,446,671
05/02/05	05/02/08	1,137,236
05/05/05	05/05/08	233,334
10/18/05	10/18/08	1,500,000
01/23/06	11/16/07	69,333
01/23/06	12/10/07	50,000
01/23/06	12/16/07	63,467
01/23/06	12/30/07	501,333
01/23/06	01/23/08	1,142,969
01/23/06	04/14/08	155,280
01/23/06	04/29/08	1,613,340
01/23/06	05/02/08	1,155,491
01/23/06	05/05/08	133,334
02/03/06	02/03/08	11,872,000
04/20/06	04/20/08	200,000
04/28/06	04/28/08	2,133,335
05/01/06	05/01/08	15,000
05/04/06	05/04/08	40,000
05/05/06	05/05/08	100,000
05/08/06	05/08/08	200,000
05/10/06	05/10/08	35,000
05/11/06	05/11/08	15,000
05/12/06	05/12/08	200,000
05/19/06	05/19/08	50,000
05/30/06	05/30/08	85,000
06/05/06	06/05/08	205,000
06/06/06	06/06/08	100,000
06/09/06	06/09/08	220,000
06/12/06	03/13/08	1,180,000
06/27/06	06/27/08	1,267,337
	Total Warrants Outstanding	31,229,194

A summary of the Company's stock warrants as of June 30, 2006 and changes during the period is presented below:

	<u>Warrants</u>		<u>Weighted Average Exercise Price</u>
Outstanding, December 31, 2005	9,576,925	\$	1.05
Granted	23,185,552		0.77
Canceled	(383,333)		0.50
Exercised	(1,149,950)		0.50
Outstanding, June 30, 2006	<u>31,229,194</u>	<u>\$</u>	<u>0.88</u>

NOTE 7 – MINERAL PROPERTY OPTIONS

Bullion River is a mineral exploration company. Bullion River, through the Subsidiaries, conducts gold and silver mineral exploration on properties in the western United States.

There is no assurance that a commercially viable ore body, a reserve, exists in any of the mineral claims until sufficient exploration work is done and an evaluation of that work concludes economic and legal feasibility. Bullion River's current plans are strictly limited to research and exploration.

Bullion River intends to try to remove any mineralized material, if economically viable. If mineralized material is found on any of Bullion River's mineral exploration projects and removal is warranted, and Bullion River does not have the adequate working capital to do so, Bullion River will have to sell additional common shares or borrow money to finance the cost of removing the mineralized material. There is no assurance that Bullion River will have the working capital to remove the mineralized material from its mineral exploration projects, if warranted, and there is no assurance Bullion River will be able to raise additional working capital through equity or debt financing.

French Gulch (Nevada) Mining Corp.

On June 23, 2004, French Gulch (Nevada) Mining Corp. ("French Gulch") entered into a letter agreement whereby they proposed to acquire a 100% interest in the Washington Niagara Mining Partnership (the "WN Partnership") by acquiring all of the outstanding partnership units for an aggregate purchase price of \$1,500,000. The property is located in Shasta County in California and consists of 28 patented and 27 unpatented lode mining claims ("Washington Niagara Property").

During 2004, the Company paid a non-refundable deposit of \$10,000, which allowed them to perform due diligence and a comprehensive feasibility audit on the property until September 30, 2004.

On October 6, 2004 the Company entered into a formal exploration agreement, with option to purchase, whereby their exclusive right to explore the Washington Niagara Property was extended to September 30, 2005. Under the terms of this agreement, the Company was required to pay \$15,000 in outstanding county taxes, option payments of \$50,000 on each of June 1 and August 1, 2005, to pay all State and Federal claim and maintenance fees and to carry liability insurance of \$1 million. The option to purchase could be exercised at any time up to October 1, 2005. Once French Gulch exercised its option, it became required to make bimonthly option payments of \$50,000 until production commences. Once production commences French Gulch will be required to make bimonthly payments of \$175,000. Ownership of the Property will transfer to French Gulch once the aggregate amount of option payments totals \$1,500,000.

French Gulch has rights to explore in accordance with practices customary in the industry, but not to mine the Property until the option is exercised. Upon exercise of the option French Gulch will have all rights incident to ownership of real property allowed by law, including the right to develop and mine the property.

The Company has staked an additional 66 (sixty-six) unpatented claims in the French Gulch district to properly secure and encompass areas of known gold mineralization. We have named these newly staked claims, along with the Washington –Niagara property, the “French Gulch” properties. The 66 claims staked by French Gulch are 100%–owned by French Gulch and are not subject to the agreement with the WN Partnership.

On May 19, 2005, the Company exercised its option with the Washington Niagara Mining Partnership to purchase the patented and unpatented mining claims, the mill, and other personal property. At that time, the first bi–monthly payment of \$50,000 was made less credits of \$36,438.07 for a total of \$13,561.93.

At June 30, 2006, the Company had made all payments and complied with all of the terms of the option related to the Washington Niagara agreement. Per an amendment to the purchase agreement the company issued 234,000 restricted units at \$0.75 per unit on June 29, 2006 in the private offering. The \$175,500 value of these units reduces the total purchase price to \$1,324,500. In total the Company has made payments to date totaling \$378,416 toward the total purchase price.

On August 31, 2005, the Company entered an agreement with the Stump Family Trust (“Stump”) giving French Gulch the exclusive right to explore, develop, and mine the property. The property is located in Shasta County, California, adjacent to the French Gulch property, and consists of 1 patented lode mining claim (“Colorado Quartz Mine”). The option agreement is for an initial term of ten years and expires on July 21, 2015.

In order to maintain the Stump option in good standing, French Gulch is required to pay the owner annual payments starting July 21, 2006 in the following amounts: \$2,500 per year until July 21, 2008, \$3,500 per year until July 21, 2011, \$4,500 per year until July 21, 2015. French Gulch is also required to make all maintenance and lease fees as required to keep the property in good standing, and must have a comprehensive general commercial liability insurance policy in place having limits of not less than \$1 million per personal injury occurrence and \$100,000 for property damage protecting owner against any claims for injury to persons or damage to property resulting from French Gulch's operations.

North Fork Mining Corp.

On February 23, 2004, Bullion River's wholly owned subsidiary North Fork Mining Corp. (“North Fork”) was assigned three options to acquire a 100% undivided right, title and interest in an aggregate 42 unpatented mineral claims located in Sierra County in the State of California. The option was assigned from a company controlled by the president of Bullion River for an assignment fee of \$129,115. As additional consideration for the assignment of the option agreements, North Fork granted to a company controlled by the president, a net smelter royalty of 1.5% on the 42 unpatented mineral claims.

On February 18, 2004, all required payments under the original (3) option agreements dated July 1, 2002, July 3, 2002 and March 3, 2003 had been made and the owners of the mineral claims consented to the assignment of the option agreements to North Fork.

- The required payments under the July 1 and July 3, 2002 option agreements were; \$10,000 per agreement on the original signing dates of July 1 and 3, 2002 and \$150 per month for each agreement for the year ending July 3, 2003 and \$250 per month for each agreement for the period ended February 23, 2004.
- The March 3, 2003 agreement required \$10,000 to be paid upon signing of a final agreement.

The original option agreements dated July 1 and 3, 2002, were for terms of 5 years. To keep these option agreements in good standing North Fork is required to make minimum royalty payments, per agreement, of \$250 per month until July 3, 2004, \$500 per month until July 3, 2005, \$1,000 per month until July 3, 2006, the greater of \$5,000 per month or a 5% NSR until July 3, 2007. North Fork is also required to make all maintenance and lease payments to keep the mineral claims in good standing during the term of the option agreements. At the end of the five year term, after all of the royalty payments have been made, North Fork will have acquired a 100% undivided right, title and interest in 35 unpatented mineral claims subject to a 5% net smelter royalty payable, until a maximum of \$750,000 in royalty payments have been made under each agreement.

The March 3, 2003 option agreement for seven unpatented claims had no term. North Fork can acquire an undivided 100% interest in these claims by paying \$10,000 once North Fork has successfully completed its stage 1 drilling and exploration program, and decides to continue with exploration and by paying the owner \$70,000 once North Fork had successfully completed its stage 2 drilling and exploration program and decided to continue with exploration.

At June 30, 2006, the Company was in compliance with all of the terms of the option agreement.

Antone Canyon Property

On January 9, 2004, Bullion River's wholly owned subsidiary Antone Canyon Mining Corp. ("Antone") was assigned an option to acquire a 100% undivided interest in 60 unpatented mineral claims located in Nye County in the State of Nevada. The option was assigned from a company controlled by the president of Bullion River for an assignment fee of \$146,142.

The option agreement is for a term of ten years and expires on December 11, 2012. In order to maintain the option in good standing, Antone is required to pay the owner annual payments of \$40,000 on or before December 12, commencing December 12, 2004, until the option expires or until Antone exercises the option in accordance with one of the following three exercise options, which are; payment to the owner of (1) \$4,000,000, (2) \$400,000 plus a 3% net smelter royalty ("NSR") granted to the owner, or (3) \$2,500,000 plus a 1% NSR granted to the owner.

At June 30, 2006, the Company had made all required option payments and complied with all of the terms of the option agreement.

Corcoran Canyon Mining Corp.

On February 18, 2004, Bullion River's wholly owned subsidiary Corcoran Canyon Mining Corp. ("Corcoran") was assigned an option to acquire a 100% undivided interest in 41 unpatented mineral claims located in Nye County in the State of Nevada. The option was assigned from a company controlled by the president of Bullion River for an assignment fee of \$43,596. In addition, a company controlled by the president of Bullion River has agreed to transfer all of its right, title and interest in 89 contiguous, recently staked, unpatented mineral claims to Corcoran.

The original option agreement was for a term of three years, expiring on February 28, 2006. In order to maintain the option in good standing Corcoran was required to spend; a minimum of \$50,000 on exploration and development on or before each of February 28, 2005 and 2006, Corcoran was to pay all annual claim and lease maintenance fees as required to keep the property in good standing and Corcoran was required to have a comprehensive general commercial liability insurance policy in place having limits of not less than \$1 million per occurrence.

The option agreement allowed Corcoran to perform limited testing on the property. Corcoran could not commence mining activities on the property until the option has been exercised. Corcoran could exercise the option and acquire a 100% interest in the property by paying \$200,000 to the owner on the third anniversary of the option agreement and granting the owner a 2% NSR on the mineral claims. Corcoran can repurchase half of the 2% NSR by paying \$1 million to the owner at any time after the granting of the 2% NSR.

The option agreement expired on February 28, 2006. At that time, the Company started negotiations with the owner to purchase the property as required by the terms set forth in the original agreement noted above. Two partial payments of \$20,000 were made on February 28 and March 30, 2006. On May 19, 2006 the Company completed negotiations made the final payment of \$160,000.

On June 16, 2006 the Company and Silver Quest Resources LTD and Silver Quest Resources (US) LTD (together "Silver Quest") entered into a joint venture. Silver Quest is required to pay the Company \$10,000 within five days of execution of the agreement. Within 60 days from the date of the agreement Silver Quest must receive TSXV acceptance and at that time pay the Company \$30,000 and 100,000 common shares of Silver Quest Resources LTD to keep the option in good standing.

Silver Quest can acquire an initial 51% interest in the property by making cash payments of \$250,000, issuing 400,000 shares, and incurring \$1,500,000 in exploration and development expenditures over a three year period. Silver Quest has a further option to increase its interest to 75%, by paying an additional \$1.0 million, issuing an additional 500,000 shares, and incurring an additional \$1.75 million (U.S.) in expenditures.

At June 30, 2006, Silver Quest had not made the required \$10,000 payment due to the Company.

Cimarron Mining Corp.

On February 19, 2004, Bullion River's wholly owned subsidiary Cimarron Mining Corp. ("Cimarron") was assigned an option to acquire a 100% undivided interest in 24 unpatented mineral claims located in Nye County in the State of Nevada. The option was assigned from a company controlled by the president of Bullion River for an assignment fee of \$13,468.

The original option agreement is for a term of three years and expires on August 22, 2006. In order to maintain the option in good standing Cimarron is required to; spend a minimum of \$50,000 on exploration and development annually on or before each of August 22, 2004, 2005 and 2006, Cimarron must pay all annual claim and lease maintenance fees as required to keep the property in good standing and Cimarron must have a comprehensive general commercial liability insurance policy in place having limits of not less than \$1 million per occurrence.

The option agreement allows Cimarron to perform limited testing on the property. Cimarron cannot commence mining activities on the property until the option has been exercised. Cimarron can exercise the option and acquire a 100% interest in the property by; paying \$200,000 to the owner on the third anniversary of the option agreement and granting the owner a 1% NSR on the mineral claims. Cimarron can repurchase half of the 1% NSR by paying \$500,000 to the owner at any time after the granting of the 1% NSR.

As of June 30, 2006, the Company and Brancote US, owner of the majority of the Cimarron claims, agreed not to extend the contract beyond its present term of August 22, 2006 since both parties were unable to come to an agreement with the holder of the remaining claims in the middle of the claim block.

Wenban Spring Mining Corp.

On February 20, 2004, Bullion River's wholly owned subsidiary Thomas Creek Mining Corp. ("Thomas Creek") was assigned an option to acquire a 100% undivided right, title and interest in 76 unpatented mineral claims located in Eureka County in the State of Nevada. The option was assigned from a company controlled by the president of Bullion River for an assignment fee of \$53,740.

During the year ended December 31, 2004 the Company terminated their option on the Thomas Creek property and acquired a 100% interest in the Wenban property by staking claims covering approximately 7.25 square miles in the Cortez Hills region of Nevada. On September 28, 2004 the Company changed its name from Thomas Creek Mining Corp. to Wenban Spring Mining Corp.

As of June 30, 2006, the Company has made all claim maintenance fees to the BLM.

On January 19, 2006, the Company entered into an option agreement with Senator Minerals "Senator", a Vancouver based mineral exploration company (TSX-V: SNR) for two properties, the Cortez South and the Gold Valley property, located in Lander County. These two properties are directly adjacent to the south of the Wenban Spring property. The Cortez South property consists of 30 mineral claims and the Gold Valley property consists of 24 mineral claims. The terms of the agreement include: \$10,000 in cash for each property, which was paid on January 20, 2006 and 125,000 restricted shares of Bullion River common stock for each property which were issued on May 1, 2006. Bullion River is obliged to spend \$150,000.00 in exploration including all maintenance fees over the next two years in order to obtain a 51 % ownership in the claims. By spending another \$200,000.00, Bullion River can increase its ownership to 76 %. After that, the partners have to spend on a \$350,000 to \$110,000 basis (Bullion River to Senator) or get diluted accordingly. Once a partner has less than 10% ownership, it can elect a three percent NSR. The properties are so-called 'grassroots' properties, no significant exploration has been done to this point.

Painted Hills Claims

During 2004 the Company acquired a 100% interest in 41 unpatented mineral claims in the Painted Hills district in Humboldt County, Nevada.

As of June 30, 2006, the Company has paid claim maintenance fees to the BLM on 10 of the 41 claims. We expect to do some minimal exploration by August 31, 2006 to determine the future on this property.

Mission Mine

On February 18, 2006, the Company entered into an exploration agreement with an option to purchase the "Mission Mine" from TKM Corporation. The property consists of 26 unpatented lode mining claims situated in Riverside County, California. In order to maintain this agreement, the Company shall make the following payments to TKM Corp.

1. Non-refundable \$10,000 payment on February 18, 2006 to enter into agreement.
2. \$40,000 payment on February 24, 2006 for the right to explore the property through August 31, 2006.
3. \$50,000 payment on September 1, 2006 for the right to explore the property from September 1, 2006 until September 1, 2009.

TKM grants Bullion River Gold the exclusive right and option to purchase the property as follows:

1. Option executed up until August 31, 2007 – \$1.5 million.
2. Option executed from September 1, 2007 to August 31, 2008 – \$2.0 million.
3. Option executed from September 1, 2008 to August 31, 2009 – \$2.5 million.

In addition to the dollar amount defined above, the purchase price shall include a 2 ½% Net Smelter Royalty for the first three years of production from property.

As of June 30, 2006, the Company is in compliance with all terms of this agreement.

Below is a summary of the mining claims:

**Bullion River Gold Corp.
Schedule of Mining
Claims by Subsidiary
As of June 30, 2006**

<i>Nevada</i>	<i># of Claims</i>
Antone Canyon	60
Cimarron Mining	24
Corcorran Canyon	130
Painted Hills	10
Wenban Spring	292
Total Nevada Claims	516

<i>California</i>	<i># of Claims</i>
French Gulch	121
North Fork	42
Mission Mine	97
Total California Claims	260
Total Claims	776

Note 8 – Contractual Obligations

Bullion River's contractual obligations payable for the years ended June 30 are:

**Bullion River Gold Corp.
Commitment Schedule
For years ending June 30:**

<i>Option Payments</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015
Antone Canyon	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ –	\$ –	\$ –
North Fork	120,000	–	–	–	–	–	–	–	–
French Gulch	302,500	302,500	302,500	49,584	3,500	4,500	4,500	4,500	4,500
Wenban Spring	–	150,000	–	–	–	–	–	–	–
Mission Mine	50,000	–	–	–	–	–	–	–	–
	\$ 512,500	\$ 492,500	\$ 342,500	\$ 89,584	\$ 43,500	\$ 44,500	\$ 4,500	\$ 4,500	\$ 4,500

<i>Lease Obligations</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015
Corporate Office Lease	\$ 94,967	\$ 97,816	\$ 75,000	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
Mine Offices / Housing	18,845	–	–	–	–	–	–	–	–
Equipment	164,051	164,051	71,318	–	–	–	–	–	–
	\$ 263,138	\$ 261,867	\$ 146,318	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

<i>Other Obligations</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Loan Obligations</i>	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
<i>Consulting Obligations</i>	52,441	7,720	–	–	–	–	–	–	–
	\$ 37,000	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

Total Commitments	\$ 812,638	\$ 754,367	\$ 488,818	\$ 89,584	\$ 43,500	\$ 44,500	\$ 4,500	\$ 4,500	\$ 4,500
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Lease Obligations

On October 3, 2005, the Company entered into a third party agreement to lease (2) Caterpillar IT28G loaders for a period of 36 months in the amount of \$5,736 per month. This lease ends on October 3, 2008. One loader is located at French Gulch and the other is at North Fork.

On December 21, 2005, the Company entered into a third party agreement to lease (1) Skid Loader for the North Fork property. The term is 36 months ending December 2008 with a monthly payment of \$938.

On February 14, 2006, the Company entered into a third party agreement to lease office space which commenced on April 1, 2006 and will end on March 31, 2009. This agreement was sought out to accommodate the growing support needs of the company and to reduce the rental cost per square foot. Payments under this agreement are:

- \$6,000 per month from April 1 to June 30, 2006
- \$7,855 per month from July 1, 2006 to March 31, 2007
- \$8,091 per month from April 1, 2007 to March 31, 2008
- \$8,333 per month from April 1, 2008 to March 31, 2009

On February 15, 2006, the Company entered into a third party agreement to lease an Elphinstone R-1300 loader for a period of 36 months ending in February 2009 in the amount of \$6,776 per month. This equipment will be used at French Gulch.

On April 12, 2005, the Company entered into a lease agreement for a copier/printer for a 48-month term ending April 30, 2009. Payment under this agreement is \$221 per month.

On April 16, 2006, the Company entered a rental agreement for office/housing space for the French Gulch property whereby the Company is committed to pay \$1,550 per month until April 15, 2007.

On May 1, 2006, the Company extended a rental agreement for office/housing space for the North Fork property whereby the Company is committed to pay \$1,030 per month until October 2006.

Consulting Agreements

On October 3, 2005, the Company entered into a third party agreement for a period of 12 months to provide investor relations consulting from November 1, 2005 until October 31, 2006. Payment under this agreement is \$3,000 per month and may be terminated at any time after 6 months.

On December 8, 2005, the Company entered into a third party agreement for investor relations services to present Bullion River in Germany and other European countries for disseminating investor relations information and creating awareness of Bullion River in Switzerland and other German-speaking areas of Europe. This contract is for 12 months and will continue from December 8, 2005 until December 7, 2006. Payments under this agreement are \$5,000 per month, paid quarterly.

On January 1, 2006, the Company entered into a third party agreement to produce ongoing research coverage in German. This agreement has a term of 24 months commencing on January 1, 2006 and ending on December 31, 2007. Payments under this agreement are EU\$1,000 per month, paid monthly.

NOTE 9 – RELATED PARTY TRANSACTIONS

As of June 30, 2006, there are no related party transactions.

As part of the option agreement between North Fork and a company controlled by the Bullion River president, North Fork granted a net smelter royalty of 1.5% on the 42 unpatented mineral claims to the company president. No transactions have resulted from this agreement.

NOTE 10 – SUBSEQUENT EVENTS

On July 10, 2006, the Company issued 86,000 two-year warrants as part of finders' fee payments from the current offering.

On July 13, 2006, the Company raised \$878,750 in cash from the \$0.75 unit offering and issued 1,171,667 restricted units to eleven subscribers.

On July 26, 2006, the Company issued 110,000 restricted units at \$0.50 per unit under Reg D for commitment of investor relations services through December 2007.

On July 26, 2006, the Company issued 100,000 restricted shares at \$0.75 per share under Reg D as finder's fees from the current offering.

On July 26, 2006, the Company issued 50,000 restricted units at \$0.75 per unit under Reg S for reinvestment of finder's fees from the current offering.

On July 27, 2006, the Company raised \$150,000 in cash from the \$0.75 unit offering and issued 200,001 restricted units to two subscribers.

On July 27, 2006, the Company raised \$12,005 in cash from the conversion of \$0.50 warrants issuing 24,010 common shares to one warrant holder.

On July 31, 2006, the Company received \$40,000 from Silver Quest which keeps the purchase option for Corcoran Canyon in good standing.

The Company has incurred an additional \$39,500 in finders' fees for monies raised during the current offering.

On August 3, 2006, the Company raised \$2,000,000 in cash from a secured convertible debenture with a maturity date of August 3, 2008. The Company has incurred finder's fees for this debenture consisting of \$200,000 that is to be reinvested in the Company and 200,000 warrants with an exercise price of \$0.75.

Item 2: Management's Discussion and Analysis and Plan of Operations.

RESULTS OF OPERATIONS

Discussion of Revenue

Management anticipates that significant revenues will not be achieved unless Bullion River locates and commercializes viable mineral properties. There can be no assurance that Bullion River will locate viable gold or silver reserves. If Bullion River does not locate viable reserves it may not be able to enter into commercial production. In particular, commercializing mineral properties will require significant funding that Bullion River may not be able to secure.

Expenses for the six months ending June 30, 2006 vs. June 30, 2005

Bullion River expenses totaled \$5,997,291 for the six months ended June 30, 2006, an increase of \$2,502,055 or 72% over the six months ended June 30, 2005.

The increase was primarily a result of exploration costs of \$3,867,296 compared to \$2,229,651 last year, an increase of \$1,637,645, or 73%. Most of this increase is related to the French Gulch operations. The French Gulch mill rehabilitation began in January 2006 and has accumulated expenses totaling \$504,859 as of June 30, 2006. Other increases include employee wages, taxes, and other related expenses of \$286,818, investor communications of \$83,592, office related expenses of 39,635, utilities of \$23,527, accretion of \$3,029, and depreciation on fixed assets of \$140,199. These increases are attributable to the increased level of support required by the exploration and mill activities, and continuation of the private offering. These expenses were partially offset by lower professional fees of \$111,851, consulting fees of \$68,777, miscellaneous expenses of \$23,981, travel related of \$9,470, bank charges of \$5,373, licenses and fees of \$2,047, and insurance of \$1,256.

Other non-operating activities include non-operating revenue of \$14,875 from interest received on bank accounts and non-operating credits of \$2,020. These gains are partially offset by interest expense of \$22,401.

LIQUIDITY AND FINANCIAL CONDITION

Cash and Working Capital

Bullion River had a cash balance of \$288,741 on June 30, 2006. For the six month period ending June 30, the Company had net cash inflow of \$163,953.

- The Company used \$5,002,010 in operating activities. This operating cash outflow is represented by an operating loss of \$5,997,291; a decrease in other current liabilities of \$170,758; and an increase in supply inventory of \$43,604. This is partially offset by an increase in accounts payable of \$531,388; a decrease in deposits of \$121,653; a decrease in prepaids of \$71,658; an increase in depreciation of \$164,034; an increase in non-cash accretion expense of \$3,029; a loss on other of \$1,188; and other non-cash expenses totaling \$316,693.
- The Company had cash outflow in investment activities of \$1,603,367, which was used for the purchase of fixed assets.
- The Company had cash inflow from financing activities totaling \$6,769,330 from a decrease in loans from related parties of \$13,453, and sales of common shares resulting in \$6,782,783.

A decrease in working capital of \$272,433 was due to an increase in current liabilities of \$408,332 coupled with an increase of \$135,899 in current assets. Bullion River has an accumulated deficit of \$14,528,090 since inception and has a shareholder's equity of \$1,823,709. The Company has no contingencies or long-term agreements except for its commitments under the option agreements, premises, and rentals.

Internal and External Sources of Liquidity

The Company's mineral exploration programs are limited and restricted by the amount of working capital that it has and is able to raise from equity financing and debt. The Company anticipates continuing to rely on loans payable, equity sales of common shares, or joint ventures with other exploration companies in order to fund further exploration and production programs. Acquiring additional financing is subject to a number of factors, including the market prices for gold and silver, investor acceptance of the Company's mineral claims, and investor sentiment. These factors may make the timing, amount, terms, or conditions of additional financing unavailable to the Company.

Critical Accounting Policies

Mineral Properties

The Company confines its exploration activities to areas from which gold and silver have been previously produced, or to properties that are contiguous to such areas and have demonstrated mineralization. The Company will expense the costs of acquiring options on the mineral claims and exploration costs until established economically recoverable reserves are found, after which, costs to develop the mineral claims will be treated as an asset. At this time it is unknown when established economically recoverable reserves will be found. Properties that do not have economically recoverable reserves will be abandoned.

Reclamation and Abandonment Costs

Current laws and regulations require certain closure, reclamation, and remediation work to be done on mineral properties as a result of exploration, development, and operating activities. The Company periodically reviews the activities performed on its mineral properties and makes estimates of closure, reclamation, and remediation work that will need to be performed as required by those laws and regulations and makes estimates of amounts that are expected to be incurred when the closure, reclamation, and remediation work is expected to be performed. Future closure, reclamation, and environmental related expenditures are difficult to estimate in many circumstances due to the early stages of investigation, uncertainties associated with defining the nature and extent of environmental contamination, the uncertainties relating to specific reclamation and remediation methods and costs, application and changing of environmental laws, regulations and interpretation by regulatory authorities, and the possible participation of other potentially responsible parties.

The Company has estimated costs associated with the closure, reclamation, and related environmental expenditures of the French Gulch and North Fork properties, which have been reflected in its financial statements in accordance with the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "Accounting for Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. See the financial Note 4 for a related discussion.

PLAN OF OPERATIONS

Summary

During the second quarter of 2006, the Company concentrated its activities at the French Gulch project located in California.

At French Gulch, the Company continued work on the new portal and decline to access the Washington and Lucky-7 veins for excavation of the bulk sample. The Company also continued mill rehabilitation in preparation for milling operations of the bulk sample material. See the French Gulch section below for additional detail.

The Company will continue to seek projects that contain high grades and sufficient tonnage of gold or silver as well as projects that contain the potential for mineralization concealed under post-mineral cover. This focus is primarily in the Mother lode belt in California and the Great Basin of the western United States. There is no assurance that the Company will locate high grades and sufficient tonnages of mineralization, or locate projects that contain the potential for mineralization concealed under post-mineral cover, or that there is high grade or sufficient tonnage of gold or silver to make a project commercially viable.

Unless the Company's anticipated production projects contain commercially viable sources of gold or silver and until such time as it achieves significant revenues from the sales of gold or silver, the Company will continue to incur losses. The costs associated with bringing a commercially viable mine into operation are significant, and the Company cannot guarantee that it will be able to obtain the required working capital to bring a mine into commercial production.

As the Company proceeds with its production and exploration programs it will need to hire independent contractors as well as purchase or lease additional equipment.

French Gulch Nevada Mining Corp.

Land

On May 19th, 2005, the Company exercised its option to purchase the French Gulch project from the Washington Niagara Partnership. The purchase calls for a total cash payment of \$1.5 million. All previous payments made by the Company are to be deducted from the total payment due. Bi-monthly payments will increase from \$50,000 to \$175,000, once production has begun. Per an amendment to the purchase agreement the company issued 234,000 restricted units at \$0.75 per unit on June 29, 2006 in the private offering. The \$175,500 value of these units reduces the total purchase price to \$1,324,500. In total the Company has made payments to date totaling \$378,416 toward the total purchase price.

Plant and Equipment

The French Gulch project includes a mill that operated as recently as 2002, consisting of a gravity and flotation circuit as well as a furnace for producing dore' bricks. Most of the required trackless equipment necessary to complete the decline construction is onsite. This includes LHD units, a drill jumbo, hand held drills, a scissor lift, ventilation fans, air compressors, generator sets, and other miscellaneous equipment. The company is currently renting a haul truck, water truck, two excavators, a dozer, a skidsteer loader, and an additional air compressor on a purchase option basis where a portion of the rental costs are applied to the purchase price if the Company decides to buy out the equipment.

Location & Background

The Washington Niagara property consists of approximately 1824 acres, of which approximately 490 acres are patented lands. The property is located within the French Gulch mining district of the Klamath Mountains province, 15 miles northwest of Redding in northwestern California. French Gulch has been the largest producer in the province, yielding an estimated 1.5 million ounces of gold and it contains the highest grades in the province, with ore shoots typically grading above 0.5 ounces per ton and commonly above 1.0 ounces per ton. Coarse visible gold is common.

The Niagara mine workings, located about 3,500 feet west of Washington, are presently inaccessible. The mine consisted of 10 levels that exploited veins similar to those at Washington, with production over 500 feet vertically and along 1,200 feet of strike. The property has produced at least 200,000 ounces of gold, but production records are incomplete.

Current status

During the second quarter of 2006, the Company advanced the new decline further towards the Lucky 7 and Washington vein systems and completed the vent bypass. The I-level has also been completely rehabilitated and a drift has been started towards the main decline.

The Company continued to work on the mill to prepare the building for resumption of milling activity. Work included removal of scrap items, repair of wooden structures and framing, cleanup, and painting in addition to a new screen and a Falcon concentrator being installed. On June 9, 2006, the first test run of the entire mill was conducted. Subsequently, the mill has been run intermittently, and more testing has been conducted in order to improve functionality, gold recovery, water flows, and water treatment. The Company has also installed its own assay lab, overhauled its gold furnace system, and improved its storage facilities.

The Company resumed its surface exploration drilling and completed all 16 holes in the program. Once all assay results are received and transferred into the company's 3-D modeling software for evaluation a new drilling program will be created and implemented.

As of June 30, 2006, the Company has spent \$3.05 million in exploration costs and \$505,000 on mill rehabilitation at French Gulch.

Future Work

The new decline will also access the Niagara mine. This distance between the Washington and Niagara mines will be approximately 2,500 feet in length. This leg of the decline is also planned to have diamond drill stations at 400 foot intervals.

Test mining from the new decline has started on the Washington vein and will be extended to the Lucky 7 vein, and possibly the Dean and No. 2 veins. Test mining of the first ore began in June 2006 and should be completed by the end of August 2006. Approximately 4,000 tons of material will be mined from the main vein and processed at the French Gulch mill during this phase.

The Company continues to plan for mill expansion if the French Gulch property goes into production. Pace Civil Inc. of Redding has been retained to assist in the engineering work required to convert the mill from its current capacity to the desired 500 tons per day capacity. Pace Civil is a multi disciplined engineering group based in Redding, California and is capable of providing the detailed civil, mechanical, structural and electrical engineering necessary to meet the various building codes and requirements of the State of California and Shasta County.

The Company intends to proceed with engineering work focused on the completion of the mill design and other infrastructure requirements. This includes:

- Foundation design for the fine ore bin
- Design of supports / foundations for the larger ball mill.
- Procurement of equipment
- Provision of structure over outdoor flotation cells and electrical equipment.
- Revision of site electrical distribution system to reflect operational changes from previous operations.
- Design of site offices and shop.
- Development of new reclamation plan for the site reflecting changes in provision for waste storage and proactive reclamation proposals.
- Design of mine backfill system.
- Emergency spill response program.

The remaining capital expenditures required to equip the mine for planned production is estimated to be \$2.1 million.

The bulk sampling and mill upgrade will be completed in a staged schedule to meet permitting requirements. Several of the items have to be completed prior to the issuance of a county building permit. The revised reclamation plan must be developed and approved prior to resuming milling operations. A new bonding calculation was completed and the plan was approved by the State Department of Conservation under the SMARA requirements, Shasta County, the Bureau of Land Management and the Regional Water Quality Control Board. Monies in excess of \$100,000 have been deposited for these bonds.

The Company is also planning surface exploration drilling between the Niagara and Washington mines. The drilling will first test below the historically mined levels at the Niagara Mine. The Company expects to continue with surface core drilling in other targets between the Washington and Niagara mine areas due to potential parallel veining, as is represented by the Lucky-7 and Washington veins. The area tested by drilling to date represents about 1% of the overall property; management believes there is substantial potential for additional vein structure. The recently completed surface drill program will help determine underground drill targets.

Based upon the results of the bulk sample, the decision will be made to proceed to full production, continue exploration, or abandon the property. Exploration could take place from surface or underground or both. Abandonment will require that the Company complete site reclamation per the revised reclamation plan, as well as meeting any other statutory requirements for mine shutdown.

If the decision is made to proceed to full production, underground development will continue to allow the opening of new stoping blocks in the mine and to access the Niagara Mine. The development program will be an ongoing activity to ensure sufficient mining areas are available to provide ore to the mill on a continuous basis as well as providing additional underground drill sites for further exploration. At this time, management will need to schedule and implement the mill expansion, which is discussed above to allow for greater throughput.

Other work in the mine will include the preparation of an underground equipment servicing / repair facility. This will be constructed underground in a yet to be determined location. The facility will be built underground to reduce surface congestion. It will also be simpler to contain any possible pollutants within the mine. Underground explosives magazines will also be completed to enhance explosives security on the mine site. The planned ore production for this phase is estimated to be 30,000 oz. The associated mine and mill operating costs are estimated to be \$12.1 million, and the corresponding revenue derived from the ore produced is estimated to be \$15 million. This is based on \$500 per ounce of gold, which is conservative given the current price.

North Fork Mining Corp.

Plant and Equipment

The plant consists of electrical infrastructure and equipment to support initial mining operations. This includes an LHD, skid steer, hand held drills, and other tools and storage facilities.

Location & Background

The North Fork project is in the Alleghany mining district in the northern part of the Mother Lode Gold Belt in northeastern California, 35 km northeast of Grass Valley and about 3.5 km northwest of the Sixteen-to-One mine. North Fork Mining controls 42 unpatented mining claims under a lease with an option to purchase and is obligated to make advance royalty payments to the lessor of \$10,000 per month between July 1st 2006 and July 1st 2007.

The Alleghany mining district is within the northern portion of the Mother Lode Belt and on the north side of the Grass Valley mining district. The Grass Valley and Alleghany districts are notable for their high gold grades and for the largest gold production among all mesothermal vein camps in western North America.

At North Fork, data from historic underground examinations indicate a 240m wide zone containing steeply-dipping gold-bearing quartz veins locally exceeding 6m in width. Assays grading above 0.5 opt (15 g/t) Au are common and nearly continuous along the approximately 600 feet of vein-parallel drifting on 3 levels covering about 50 meters vertically. Grades exceeding 1 opt are also common. Based on the historic assays, there is an inferred resource of 100,000 tons grading at least 0.5 oz/ton; however, additional exploration drilling is necessary to develop a mineable reserve.

Given the high gold grades at North Fork, the limited development, the reported widths of the veins, and its location along strike with major gold vein systems at nearby Alleghany, Management believes the project may lead to the discovery of new high-grade reserves amenable to underground mining. There has been no systematic modern exploration on the property.

Current status

The Company does not claim to have any ores or reserves whatsoever at this time on the North Fork Property.

An exploration permit is in place, which does not expire until December 2006. Currently, the Company has two reclamation bonds in place totaling \$29,800 with the U.S. Forest Service for financial assurances for completion of foreseeable reclamation related to underground and surface exploration.

The Company proceeded past the initial caved area and down ramp to the next cave. This cave has again been mined and secured as a series of "lifts" from the top down. The backs and walls have been bolted, screened and shotcreted as excavation proceeded. The second cave down to the top of the existing decline has been secured prior to suspension of activities at North Fork in February 2006 as a result of management's decision to concentrate manpower and equipment at French Gulch. Operations at North Fork are planned to resume in the third quarter of 2006.

As of June 30, 2006, the Company has spent \$305,000 in exploration costs at North Fork.

Proposed Exploration

Subject to the Company's ability to raise sufficient funds, decline rehabilitation will continue as planned. The rate of advance has been better than expected through the caved portions of the decline. The work has been completed on a single shift basis to this point. The majority of the equipment required to complete the rehabilitation phase is onsite.

The rehabilitation of the decline will continue through 2006 and the estimated costs are \$600,000 for the year.

After the completion of the decline rehabilitation, some underground development will be required to prepare one or more diamond drilling stations. This will include:

- Excavation and securing of the diamond drill station
- Excavation and securing underground explosives magazines
- Installing transformers and cable from surface to the underground drill station
- Excavation and securing a refuge station.

The exploratory drilling preparation is planned from the existing upper level and estimated to cost \$596,000. Completion of this drilling is planned for Dec 31, 2006.

Depending on the results of the early drilling program and the geological information gained from that activity, it may be necessary to advance an exploration drift into what is expected to be the hanging wall of the deposit. This will facilitate the drilling of a pattern of fanned holes back into the deposit from a more advantageous angle.

Antone Canyon Mining Corp.

Plant and Equipment

The Company does not own a plant or any equipment on the Antone Canyon Property.

Location & Background

The Antone Canyon Project is in Nye County, Nevada, 70km north of Tonopah and 13km southeast of the Round Mountain gold mine (15 Moz Au) operated by Barrick Gold Corporation and Kinross Gold Corporation. Lands within the project are administered by the U.S. Forest Service. The project consists of 60 unpatented mining claims under lease. In order to maintain the project, the Company must make annual payments to the lessor of \$40,000 due in December.

Previous operators completed shallow reverse-circulation and rotary drilling from 1983 to 1985 (55 holes totaling 5,090m), and shallow core drilling in 1999 (5 holes totaling 524m). Three RC drill holes totaling 2,683 feet were completed by Bullion River Gold in late 2004 in the Antone Saddle area. Holes BA-1 and BA-2 intercepted 5 – 15 foot intervals of 0.018 to 0.016 oz/t gold. BA-3 intercepted a 45 foot interval grading 0.22 oz/t gold including a 20 foot zone containing 0.424 oz/t from 340 to 360 feet. Drilling of the high-grade structures has been limited to within 100m of surface.

There are high grade gold and silver assays from drill-hole and trench intersections in the Antone Saddle area. The intersections are distributed over an area approximately 300m by 100m, and mineralized structures are open along strike and below the shallow levels drilled (100m). Significant soil and rock-chip anomalies to 12.7 g/t Au and shallow drill intersections grading above 3 g/t Au occur more than 600m east and 600m west of the Antone Saddle area.

Current status and Proposed Exploration

The Company does not claim to have any ores or reserves whatsoever at this time on the Antone Property.

The Company must conduct exploration to determine what amount of minerals, if any, exist on the Antone Canyon property and if any minerals that are found can be economically extracted and profitably processed. The exploration program is designed to economically explore and evaluate the Antone Canyon property.

Currently, the Company has a reclamation bond in place in the amount of \$3,300 with the U.S. Forest Service for financial assurances for completion of foreseeable reclamation related to surface exploration.

Expenses totaled \$9,600 for the Antone Canyon property during the first two quarters of 2006, primarily attributable to consulting and insurance.

For 2006 the Company plans to do 2,000 feet of surface drilling early in the fourth quarter. Total spending at Antone Canyon is estimated to be \$108,000.

Cimarron Mining Corp.

Plant and Equipment

The Company does not own a plant or any equipment on the Cimarron Property.

Location & Background

Lands in the Cimarron project are administered by the U.S. Bureau of Land Management. The project consists of 24 unpatented claims under lease.

Current Status and Proposed Exploration

The Company does not claim to have any ores or reserves whatsoever at this time on the Cimarron Property.

No exploration activities have been conducted during 2006. Expenses totaled \$1,200 at the Cimarron property for insurance.

As of June 30, 2006, the Company and Brancote US, owner of the majority of the Cimarron claims, agreed not extend the contract beyond its present term of August 22, 2006 since both parties were unable to come to an agreement with the holder of the remaining claims in the middle of the claim block.

Corcoran Canyon Mining Corp.

Plant and Equipment

The Company does not own a plant and there is no equipment on the property.

Location & Background

Lands in the Corcoran Canyon project are administered by the U.S. Bureau of Land Management and the U.S. Forest Service. The project consists of 41 unpatented claims under lease and 89 unpatented claims controlled 100% by Bullion River.

The project is in Nye County, Nevada, 80 km north of Tonopah and 19 km east of the Round Mountain gold mine (15 Moz Au). The project is within a regional north-trending mineralized belt that includes the volcanic-hosted and sediment-hosted gold-silver deposits of Goldfield, Tonopah, Midway, Manhattan, Round Mountain, Gold Hill and Northumberland.

Current status and Proposed Exploration

The Company does not claim to have any ores or reserves whatsoever at this time on the Corcoran Canyon Property.

Currently, the Company has two reclamation bonds in place in the amount of \$2,600 with the U.S. Forest Service and \$6,700 with the Bureau of Land Management for financial assurances for completion of foreseeable reclamation related to surface exploration.

Expenses totaled \$220,000 for the Corcoran property during the first two quarters of 2006, primarily attributable to purchase option payments, professional fees, and insurance.

The option agreement expired on February 28, 2006. At this time, the Company started negotiations with the owner to purchase the property as required by the terms set forth in the original agreement noted above. Two partial payments of \$20,000 were made on February 28 and March 30, 2006. As soon as the negotiation is finalized, the company will make the final payment of \$160,000.

The option agreement expired on February 28, 2006. At that time, the Company started negotiations with the owner to purchase the property as required by the terms set forth in the original agreement noted above. Two partial payments of \$20,000 were made on February 28 and March 30, 2006. On May 19, 2006 the Company completed negotiations made the final payment of \$160,000.

On June 16, 2006 the Company and Silver Quest Resources LTD and Silver Quest Resources (US) LTD (together "Silver Quest") entered into a joint venture. Silver Quest is required to pay the Company \$10,000 within five days of execution of the agreement. Within 60 days from the date of the agreement Silver Quest must receive TSXV acceptance and at that time pay the Company \$30,000 and 100,000 common shares of Silver Quest Resources LTD to keep the option in good standing.

Silver Quest can acquire an initial 51% interest in the property by making cash payments of \$250,000, issuing 400,000 shares, and incurring \$1,500,000 in exploration and development expenditures over a three year period. Silver Quest has a further option to increase its interest to 75%, by paying an additional \$1.0 million, issuing an additional 500,000 shares, and incurring an additional \$1.75 million (U.S.) in expenditures.

Wenban Spring Mining Corp.

Plant and Equipment

The Company does not own a plant and there is no equipment on the property.

Location and Background

The project consists of 238 unpatented lode mining claims 100% owned by Wenban and 54 lode claims under option from Senator Minerals, Inc. All of the claims are located within lands administered by the U.S. Bureau of Land Management (BLM).

Wenban Spring lies along the west side of the northwest-trending Battle Mountain – Eureka Mineral Belt, which contains a number of productive, bulk-mineable, sediment-hosted and volcanic-hosted gold deposits, including Pipeline (+11 Moz Au), Cortez Hills, Cortex, Tonkin Springs, Horse Canyon, Gold Bar, and Ruby Hill.

The Wenban Spring Property is southwest of the Cortez Hills and Pediment gold deposits (~ 9 Moz gold @ ~ 4.4 g/t Au) controlled by the Cortez Joint Venture (CJV). The Property directly adjoins claims held by the CJV and lies within 6 miles (9.6 km) southwest of the Cortez Hills deposit. Cortez Hills is a world-class, bulk-mineable Carlin-type gold system discovered in 2002. Wenban Spring is on the west edge of the same valley.

Current status and Proposed Exploration

The Company does not claim to have any ores or reserves whatsoever at this time on the Wenban Spring property.

The Company must conduct exploration to determine what amount of minerals, if any, exist on the Wenban Spring property and if any minerals that are found can be economically extracted and profitably processed. The exploration program is designed to economically explore and evaluate the Wenban Spring property.

Currently, the Company has two reclamation bonds in place totaling \$11,400 with the Bureau of Land Management for financial assurances for completion of foreseeable reclamation related to surface exploration.

Expenses totaled \$201,000 for the Wenban Spring property during the first two quarters of 2006, primarily attributable to purchase option payments, professional fees, and insurance.

For 2006, the Company is planning to maintain the property for future exploration with total spending on additional mapping and sampling, and rental fees estimated to be \$50,000.

Painted Hills Property

Location and Background

In February 2004, Bullion River Gold staked 41 unpatented claims in the Painted Hills district in northwestern Nevada. The claims were 100% owned by Bullion River Gold Corp. During the third quarter of 2005, the Company paid claim maintenance fees to the BLM on 10 of the claims.

The Painted Hills project is in Humboldt County, Nevada, 135km northwest of Winnemucca. The nearest significant gold producers are the Sleeper mine, 86km to the southeast, and the Hog Ranch mine, 88km to the southwest. There has been no gold exploration drilling in the project area. During the 1970's, several geothermal test holes were drilled during a regional geothermal exploration program near some hot springs, which are situated about 16 km to the northeast.

Based on studies, the Company believes that the geologic setting and alteration patterns are characteristic of productive epithermal gold systems in the region (Midas, Sleeper, Ivanhoe-Hollister, and Rosebud). The Painted Hills project has important geologic similarities to multi-million ounce epithermal gold deposits of the northwestern Great Basin, notably the Sleeper and Midas deposits. Potential exists at Painted Hills for discovery of a new, high-grade gold vein system.

Plant and Equipment

The Company does not own a plant or any equipment on the Painted Hills Property.

Current Status and Proposed Exploration

The Company does not claim to have any ores or reserves whatsoever at this time on the Painted Hills property.

The Company must conduct exploration to determine what amount of minerals, if any, exist on the Painted Hills property and if any minerals that are found can be economically extracted and profitably processed. The exploration program is designed to economically explore and evaluate the Painted Hills property.

Currently, the Company has a reclamation bond in place in the amount of \$6,550 with the Bureau of Land Management for financial assurances for completion of foreseeable reclamation related to surface exploration.

No exploration activities were conducted during the first two quarters of 2006. Expenses totaled \$1,600 at the Painted Hills property for insurance.

As of June 30, 2006, the Company has paid claim maintenance fees to the BLM on 10 of the 41 claims. The Company expects to do some minimal exploration in third quarter of 2006 to determine the future on this property.

Mission Mine Project

Land

On February 18, 2006, the Company entered into an exploration agreement with an option to purchase the "Mission Mine" from TKM Corporation. The Company has made payments of \$50,000 for exploration rights through August 31, 2006. The agreement requires the Company to make an additional payment of \$50,000 on September 1, 2006 for the right to explore the property through September 1, 2009.

Location and Background

In March 2006, Bullion River entered into an exploration agreement with an option to purchase the Mission Mine project from TKM Corp. of Palm Springs, California. The Mission Mine property consists of 26 unpatented lode claims which are located about 58 km southeast of Twenty-Nine Palms in Riverside Co., California. The Mission Mine was originally developed between 1890 and 1930 as part of the Dale Mining District and contributed to the 17,000 oz of gold production during that time. The mine was reopened in 1981 when a production shaft was sunk to the 619 foot level and four working levels were developed along the vein for production. Underground channel sampling by TKM Corp, Asamera Minerals, USMX, and New Gold Corp. in the 1980's and 1990's indicated much of the Mission quartz-magnetite-specularite-pyrite vein contained between 0.25 oz/t and 2.0 oz/t Au. Recent surface sampling from the Mission vein and other surrounding veins has confirmed high gold contents from various quartz-magnetite veins in the district.

Since entering into the exploration agreement, Bullion River has located an additional 71 claims in the district to cover a series of old mines, veins, prospects, adits, and shafts. Three of the old mines, which were recently acquired by staking, had mills which produced gold from the ore.

Plant and Equipment

The Mission Mine project includes a mill, head frame, electrical equipment, and miscellaneous mining equipment that was used in the early to mid 1980's while developing the Mission Mine. Most of the equipment is no longer serviceable and will be removed as scrap if the project progresses.

Current status and Proposed Exploration

The Company does not claim to have any ores or reserves whatsoever at this time on the Mission Mine Claims.

The Company must conduct exploration to determine what amount of minerals, if any, exist on the Mission Mine property and if any minerals that are found can be economically extracted and profitably processed. The exploration program is designed to economically explore and evaluate the Mission Mine property.

Ground magnetometer surveys have been conducted over the most prominent veins exposed on the claim blocks and they have defined the structural zones controlling the veining. Ongoing metallurgical scoping tests are being performed to determine economically feasible processes for gold recovery. The results of these tests are expected in the third quarter. Additional mapping and sampling of the various mines and veins found on the claims is planned for the third quarter of 2006. The Company is also working on permitting for a core drilling program to take place in winter 2006–2007.

Expenses totaled \$137,000 for the Mission Mine property during the first two quarters of 2006, primarily attributable to purchase option payments, legal fees, and travel costs.

For 2006, the Company is currently in the process of permitting a plan of operations through the Barstow BLM office with the intent of improving the mine access road and starting a feasibility study for the mining district.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

None; not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None; not applicable.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

None; not applicable.

Item 5. Other Information.

None; not applicable.

Item 6. Exhibits.

31.1 302 Certification of Peter M Kuhn

31.2 302 Certification of Nancy Huber

32 906 Certification

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

BULLION RIVER GOLD CORP.

Dated: August 14, 2006

By: /s/ Peter M. Kuhn

Peter M. Kuhn
Chief Executive Officer and Director

Dated: August 14, 2006

By: /s/ Nancy Huber

Nancy Huber
Chief Financial Officer and Director

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES–OXLEY ACT OF 2002

I, Peter M. Kuhn, Chief Executive Officer of Bullion River Gold Corp. (the "small business issuer"), certify that:

1. I have reviewed this Quarterly Report on Form 10–QSB of the Registrant;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–14 and 15d–14) for the Registrant and I have:

a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the "Evaluation Date"); and

c) presented in this Quarterly Report my conclusions about the effectiveness of the disclosure controls and procedures based on My evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function);

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls.

Dated: August 14, 2006

Signature: /s/Peter M. Kuhn

Peter M. Kuhn
Chief Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nancy Huber, Chief Financial Officer of Bullion River Gold Corp. (the "small business issuer"), certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of the Registrant;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and I have:

a) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this Quarterly Report (the "Evaluation Date"); and

c) presented in this Quarterly Report my conclusions about the effectiveness of the disclosure controls and procedures based on My evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function);

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls.

Dated: August 14, 2006

Signature: /s/ Nancy Huber

Nancy Huber
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES–OXLEY ACT OF 2002

In connection with the Quarterly Report of Bullion River Gold Corp. (the "Registrant") on Form 10–QSB for the period ended June 30, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), we, Peter M. Kuhn, Chief Executive Officer and Nancy Huber, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Dated: August 14, 2006

/s/ Peter M. Kuhn

Peter M. Kuhn
Chief Executive Officer and Director

Dated: August 14, 2006

/s/ Nancy Huber

Nancy Huber
Chief Financial Officer and Director