

***BRIGADIER GOLD LIMITED***  
***INTERIM FINANCIAL STATEMENTS***  
***MARCH 31, 2006***

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## **BRIGADIER GOLD LIMITED**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**BRIGADIER GOLD LIMITED**  
**BALANCE SHEET**  
AS AT MARCH 31, 2006  
(WITH COMPARATIVES AS AT DECEMBER 31, 2005)  
(UNAUDITED)

<b>ASSETS</b>	<u>2006</u>	<u>2005</u>
Current		
Cash	\$ 22,441	\$ 78,656
Prepays and sundry receivables	<u>32,296</u>	<u>28,921</u>
	54,737	107,577
Other		
Interest in mineral properties – note 2	1,319,218	1,264,315
Equipment	<u>764</u>	<u>963</u>
	<u>\$ 1,374,719</u>	<u>\$ 1,372,855</u>

<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 194,293	\$ 176,121
Long-term debt – note 3	<u>80,000</u>	<u>80,000</u>
	<u>274,293</u>	<u>256,121</u>

<b>SHAREHOLDERS' EQUITY</b>		
Share capital	2,516,992	2,465,992
Stock based compensation	197,669	190,431
Deficit	<u>( 1,614,235)</u>	<u>( 1,539,689)</u>
	<u>1,100,426</u>	<u>1,116,734</u>
	<u>\$ 1,374,719</u>	<u>\$ 1,372,855</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF DEFICIT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006**  
**(WITH COMPARATIVES FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2005)**  
**(UNAUDITED)**

	Three months to March 31, 2006	YTD 2006	Three months to March 31, 2005	YTD 2005
Deficit, beginning of period	\$(1,539,689)	\$(1,539,689)	\$( 1,243,303)	\$( 1,243,303)
Net loss	<u>( 74,546)</u>	<u>( 74,546)</u>	<u>( 72,389)</u>	<u>( 72,389)</u>
Deficit, end of period	<u>\$(1,614,235)</u>	<u>\$(1,614,235)</u>	<u>\$(1,315,692)</u>	<u>\$(1,315,692)</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF OPERATIONS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006**  
**(WITH COMPARATIVES FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2005)**  
**(UNAUDITED)**

	Three months to March 31, 2006	YTD 2006	Three months to March 31, 2005	YTD 2005
Revenue				
Interest earned	\$ <u>224</u>	\$ <u>224</u>	\$ <u>1,691</u>	\$ <u>1,691</u>
Expenses				
Salaries, directors fees and benefits	40,700	40,700	22,203	22,203
Consulting fees	14,120	14,120	-	-
Stock based compensation	7,238	7,238	28,438	28,438
General and administrative	6,666	6,666	7,903	7,903
Professional fees	2,800	2,800	11,504	11,504
Advertising and promotion	2,202	2,202	3,967	3,967
Interest on long-term debt	986	986	-	-
Amortization	<u>58</u>	<u>58</u>	<u>65</u>	<u>65</u>
	<u>74,770</u>	<u>74,770</u>	<u>74,080</u>	<u>74,080</u>
Net loss	<u>\$(74,546)</u>	<u>\$(74,546)</u>	<u>\$(72,389)</u>	<u>\$(72,389)</u>
Net loss per share	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2006**  
**(WITH COMPARATIVES FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2005)**  
**(UNAUDITED)**

	Three months to March 31, 2006	YTD 2006	Three months to March 31, 2005	YTD 2005
Operating activities:				
Net loss	\$(74,546)	\$(74,546)	\$( 72,389)	\$( 72,389)
Items not affecting cash:				
Amortization	58	58	65	65
Stock based compensation	<u>7,238</u>	<u>7,238</u>	<u>28,438</u>	<u>28,438</u>
	(67,250)	(67,250)	( 43,886)	( 43,886)
Changes in non-cash working capital items:				
Prepays and sundry receivables	( 3,375)	( 3,375)	( 6,917)	( 6,917)
Accounts payable and accrued liabilities	<u>18,172</u>	<u>18,172</u>	<u>( 4,994)</u>	<u>( 4,994)</u>
Cash used in operating activities	<u>(52,453)</u>	<u>(52,453)</u>	<u>( 55,797)</u>	<u>( 55,797)</u>
Financing activities:				
Issue of common shares for cash	-	-	48,000	48,000
Issue of common shares under option Agreements	<u>51,000</u>	<u>51,000</u>	<u>1,000</u>	<u>1,000</u>
Cash provided by financing activities	<u>51,000</u>	<u>51,000</u>	<u>49,000</u>	<u>49,000</u>
Investing activities:				
Deferred exploration costs	<u>(54,762)</u>	<u>(54,762)</u>	<u>( 67,272)</u>	<u>( 67,272)</u>
Cash used in investing activities	<u>(54,762)</u>	<u>(54,762)</u>	<u>( 67,272)</u>	<u>( 67,272)</u>
Decrease in cash position	(56,215)	(56,215)	( 74,069)	( 74,069)
Cash, beginning of period	<u>78,656</u>	<u>78,656</u>	<u>350,003</u>	<u>350,003</u>
Cash, end of period	<u>\$ 22,441</u>	<u>\$ 22,441</u>	<u>\$275,934</u>	<u>\$275,934</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

1. Basis of interim financial statements  
These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

2. Interest in mineral properties

During the period, the company entered into an option agreement whereby the company may acquire up to a 80% interest in 12 mining claims located in Whitney Township. Under the terms of the agreement, the company will earn a 50% interest in the property by issuing 1,700,000 common shares and incurring \$600,000 of exploration expenditures by December 31, 2010. 425,000 common shares were issued to the vendors upon commencement of the agreement.

3. Long-term debt

Long-term debt is represented by unsecured convertible debentures (the "Debentures") in the aggregate principal amount of \$80,000. The Debentures bear interest at a rate of 5% per annum and mature on December 19, 2010 (the "Maturity Date"). The Debentures are convertible at the option of the holder into units ("Units") of the company (i) in the case of principal amount of the Debentures at a price of \$0.10 per Unit if converted prior to the second anniversary of the issue date, and \$0.11, \$0.12 and \$0.13 per Unit if after the second anniversary and prior to the third, fourth and fifth anniversary of the issue date respectively; and (ii) in the case of interest at that price which is the higher of (a) the closing price of the company's common shares on the TSX Venture Exchange (the "Exchange") on the previous trading day and (b) such other price as may be prescribed by the Exchange. Each Unit shall consist of one common share and one common share purchase warrant entitling the holder to purchase one common share within the earlier of 24 months and the Maturity Date at a price of \$0.15 per common share.

At the Maturity Date, the Debentures shall be repaid either in cash or in common shares at the sole discretion of the company. If made in common shares, the outstanding amount under the Debentures on the Maturity Date shall be converted at the greater of (i) \$0.05 or (ii) the average closing price of the company's common shares over the preceding 20 trading days.

The company shall have the right of prepayment in whole and in part on 60 days' prior written notice, without bonus or penalty.

**BRIGADIER GOLD LIMITED**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2006

4. Stock options

The company has granted stock options to certain officers, directors and consultants.

The fair values of the stock options were estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.45%
Expected life	5 years
Expected volatility	100%
Expected dividends	NIL

As at March 31, 2006, 1,527,900 stock options were outstanding to officers, directors and consultants :

- 35,000 shares at \$0.21 per share until June 7, 2006
- 554,500 shares at \$0.20 per share until September 3, 2008
- 548,400 shares at \$0.23 per share until July 6, 2009
- 390,000 shares at \$0.15 per share until June 1, 2010

In addition, the company has 670,000 outstanding common share purchase warrants exercisable at 0.225 with an expiry date of June 30, 2006.

5. Related party transactions

During the period, the company incurred legal fees of \$1,000 to a law firm in which an officer of the company is a partner. Included in salaries expense is an accrual of \$20,000 for directors fees, and an accrual of \$20,700 for two officers who are also directors. Included in accounts payable and accruals is \$135,490 owing for salaries and directors fees, including the \$20,000 and \$20,700 referred to above. These transactions are in the normal course of business. They are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. Subsequent events

Subsequent to March 31, 2006, the following events occurred:

- (1) On April 11, 2006, the company received regulatory approval to issue 976,850 shares at a deemed price of \$0.10 per share to settle outstanding debt of \$97,685 owing to officers, directors and consultants. The \$94,790 owing for salaries and directors fees at December 31, 2005, net of source deductions, of the \$135,490 owing for salaries and directors fees disclosed in note 5 above, was settled in this share issue.
- (2) The company received regulatory approval to amend the terms of the 670,000 outstanding common share purchase warrants. The warrants which were originally exercisable at \$0.225, have been amended to \$0.12 and the expiry is now June 20, 2006.

**BRIGADIER GOLD LIMITED**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2006

7. On May 25, 2006, the Corporation announced the completion of two non-brokered equity financings totaling \$189,091.

The first placement was for an aggregate of 343,750 flow-through units at a purchase price of \$0.16 per flow-through unit. Each flow-through unit consists of one flow-through common share and one common share purchase warrant ("Warrant"). Each Warrant is exercisable into one additional common share of the Corporation at an exercise price of \$0.18 for a period of seven months from the date of closing.

The second placement was for an aggregate of 26.8182 units. Each unit consists of 40,000 common shares (issued at an effective price of \$0.125 per share) and 40,000 common share purchase warrants. Each common share purchase warrant is exercisable at \$0.145 per common share, for a period of six months following the date of closing. The Corporation issued a finder's fee in connection with the placement of the 26.8182 units in the amount of \$5,000.

Proceeds of the two placements will be used to provide general working capital and to fund exploration and development activities.

8. Certain of the comparative figures as at March 31, 2005 have been reclassified, where necessary, to conform with the financial statement presentation adopted for the year ended December 31, 2005 and the period ended March 31, 2006.