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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.

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# BRIGADIER GOLD LIMITED

BALANCE SHEET  
AS AT JUNE 30, 2005  
(WITH COMPARATIVES AS AT DECEMBER 31, 2004)  
(UNAUDITED)

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	2005	2004
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 161,513	\$ 350,003
Prepaid expenses	22,267	38,275
	183,780	388,278
<b>INTEREST IN MINERAL PROPERTIES</b> (note 3)	1,080,970	894,339
<b>EQUIPMENT</b> (net of accumulated depreciation)	1,153	1,355
	\$1,265,903	\$1,283,972
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accruals	\$ 83,174	\$ 69,648
	83,174	69,648
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK</b> (notes 3 and 4)	2,400,427	2,351,427
<b>STOCK BASED COMPENSATION</b> (note 2)	176,852	106,200
<b>DEFICIT</b>	(1,394,550)	(1,243,303)
	1,182,729	1,214,324
	\$1,265,903	\$1,283,972

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# BRIGADIER GOLD LIMITED

STATEMENT OF DEFICIT  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005  
(WITH COMPARATIVES FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004)  
(UNAUDITED)

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	Three months to June 30, 2005	YTD 2005	Three months to June 30, 2004	YTD 2004
<b>DEFICIT</b> , beginning of period	(\$1,315,692)	(\$1,243,303)	(\$ 1,039,298)	(\$ 970,683)
Accounting change (note 2)	-	-	-	21,226
<b>DEFICIT</b> , beginning of period, As restated	( 1,315,692)	( 1,243,303)	( 1,039,298)	( 991,909)
Net loss for the period	( 78,858)	( 151,247)	( 55,426)	( 102,815)
<b>DEFICIT</b> , end of period	(\$1,394,550)	(\$1,394,550)	(\$1,094,724)	(\$1,094,724)

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# BRIGADIER GOLD LIMITED

## STATEMENT OF EARNINGS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005

(WITH COMPARATIVES FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004)

(UNAUDITED)

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	Three months to June 30, 2005	YTD 2005	Three months to June 30, 2004	YTD 2004
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<b>REVENUE</b>				
Interest	\$ 1,417	\$ 3,108	\$ 3,571	\$ 4,828
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<b>EXPENSES</b>				
Advertising and promotion	2,081	6,048	2,534	5,897
Foreign exchange (gain)	-	-	1,616	2,311
General and administrative	13,491	21,394	19,085	31,840
Interest on long-term debt	-	-	222	798
Management salaries	21,430	43,633	16,690	30,500
Professional fees	1,000	12,504	3,490	5,490
Stock based compensation	42,214	70,652	15,311	30,622
Amortization	59	124	49	185
	80,275	154,355	58,997	107,643
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<b>NET (LOSS) FOR THE PERIOD</b>	<b>(\$ 78,858)</b>	<b>(\$ 151,247)</b>	<b>(\$ 55,426)</b>	<b>(\$102,815)</b>
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<b>(LOSS) PER SHARE</b>	<b>(\$ .01)</b>	<b>(\$ .01)</b>	<b>(\$ .01)</b>	<b>(\$</b>
<b>.01)</b>				

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# BRIGADIER GOLD LIMITED

## STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005 (WITH COMPARATIVES FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004) (UNAUDITED)

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	Three months to June 30, 2005	YTD 2005	Three months to June 30, 2004	YTD 2004
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(\$ 78,858)	(\$151,247)	(\$ 55,426)	(\$102,815)
Adjustment for amortization	59	124	49	185
Stock based compensation	42,214	70,652	15,311	30,622
	( 36,585)	( 80,471)	( 40,066)	( 72,008)
Changes in non-cash working capital				
- Accounts receivable	-	-	2,294	11,406
- Prepaid expenses	22,925	16,008	( 15)	( 2,226)
- Accounts payable and accruals	18,520	13,526	( 8,658)	( 7,606)
	4,860	( 50,937)	( 46,445)	( 70,434)
<b>INVESTING ACTIVITIES</b>				
Interest in mineral property	( 119,281)	( 186,553)	( 49,988)	( 88,304)
<b>FINANCING ACTIVITIES</b>				
Capital stock issued	-	49,000	617,047	617,797
Long-term debt	-	-	( 21,769)	( 33,922)
	-	49,000	595,278	583,875
<b>INCREASE (DECREASE) IN CASH</b>	( 114,421)	( 188,490)	498,845	425,137
<b>CASH, BEGINNING OF PERIOD</b>	275,934	350,003	180,186	253,894
<b>CASH, END OF PERIOD</b>	\$161,513	\$161,513	\$ 679,031	\$ 679,031

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# BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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## 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. CHANGE IN ACCOUNTING POLICY

### STOCK BASED COMPENSATION

Effective January 1, 2004 the company adopted on a retroactive basis the new accounting standard CICA 3870 for stock based compensation which uses the fair value method of accounting for stock options granted to officers, directors and consultants. Accordingly, compensation expense was recorded for options granted prior to 2004 on a retroactive basis. Prior accounting periods and retained earnings have been restated to show the effect of compensation expense associated with stock option grants to officers, directors and consultants.

## 3. INTEREST IN MINERAL PROPERTY

During the period, the company issued 4,000 common shares in connection with the option agreements.

## 4. FINANCING DURING PERIOD

During the period, the company closed a non-brokered private placement totalling 400,000 common shares at \$0.12 per share, for an aggregate subscription value of \$48,000

## 5. STOCK OPTIONS

The fair value 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 June 30, 2005, 1,787,900 stock options were outstanding to officers, directors and consultants, as follows:

- 35,000 shares at \$0.21 per share until expiry date, June 7, 2006
- 654,500 shares at \$0.20 per share until expiry date, September 3, 2008
- 708,400 shares at \$0.23 per share until expiry date, July 6, 2009
- 390,000 shares at \$0.15 per share until expiry date, June 1, 2010

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# BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

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## 6. RELATED PARTY TRANSACTIONS

During the period, the company incurred legal fees of \$3,712 to a law firm in which an officer of the company is a partner. In addition, the company incurred exploration expenses of \$39,505 paid to one officer and director. Salaries to two other officers and directors totalled \$41,400. 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.