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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

CONSOLIDATED BALANCE SHEET  
AS AT SEPTEMBER 30, 2004  
(WITH COMPARATIVES AS AT DECEMBER 31, 2003)  
(UNAUDITED)

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	2004	2003
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 449,012	\$ 253,894
Accounts receivable	21,371	19,915
Prepaid expenses	5,340	334
	475,723	274,143
<b>INTEREST IN MINERAL PROPERTIES</b> (note 3)	649,662	375,371
<b>PROPERTY AND EQUIPMENT</b> (net of accumulated depreciation)	1,485	1,889
	\$1,126,870	\$ 651,403
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accruals	\$ 47,971	\$ 52,502
<b>LONG-TERM DEBT</b> (note 4)	-	33,922
	47,971	86,424
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK</b> (notes 2 and 5)	2,154,574	1,527,297
<b>STOCK BASED COMPENSATION</b>	86,767	21,226
<b>DEFICIT</b>	( 1,162,442)	( 983,544)
	1,078,899	564,979
	\$1,126,870	\$ 651,403

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# BRIGADIER GOLD LIMITED

**CONSOLIDATED STATEMENT OF DEFICIT  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004  
(WITH COMPARATIVES FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2003)  
(UNAUDITED)**

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	Three months to September 30, 2004	YTD 2004	Three months to September 30, 2003	YTD 2003
<b>DEFICIT</b> , beginning of period	(\$1,034,511)	(\$ 962,318)	(\$930,627)	(\$920,924)
Accounting change (note 2)	-	21,226	-	21,226
<b>DEFICIT</b> , beginning of period, as restated	( 1,034,511)	( 983,544)	( 930,627)	( 942,150)
Net (loss) for the period	( 76,083)	( 178,898)	( 23,709)	( 33,412)
<b>DEFICIT</b> , end of period	(\$1,110,594)	(\$1,162,442)	(\$954,336)	(\$975,562)

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# BRIGADIER GOLD LIMITED

## CONSOLIDATED STATEMENT OF EARNINGS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004 (WITH COMPARATIVES FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2003) (UNAUDITED)

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	Three months to September 30, 2004	YTD 2004	Three months to September 30, 2003	YTD 2003
<b>REVENUE</b>				
Fees	\$ -	\$ -	\$10,448	\$56,531
Interest	2,987	7,815	177	696
	<u>2,987</u>	<u>7,815</u>	<u>10,625</u>	<u>57,227</u>
<b>EXPENSES</b>				
Stock based compensation	34,919	65,541	-	-
Foreign exchange (gain)	( 13,521)	( 11,210)	58	( 27,699)
General and administrative	56,444	124,681	3,327	31,529
Interest on long-term debt	( 6)	792	14,730	20,137
Marketing	-	-	14,307	58,110
Professional fees	1,140	6,630	1,780	8,170
Amortization	94	279	132	392
	<u>79,070</u>	<u>( 186,713)</u>	<u>34,334</u>	<u>90,639</u>
<b>NET (LOSS) FOR THE PERIOD</b>	<b>(\$76,083)</b>	<b>(\$178,898)</b>	<b>(\$23,709)</b>	<b>(\$33,412)</b>
<b>(LOSS) PER SHARE</b>	<b>(\$ .01)</b>	<b>(\$ .02)</b>	<b>(\$ .01)</b>	<b>(\$ .01)</b>

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# BRIGADIER GOLD LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004 (WITH COMPARATIVES FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2003) (UNAUDITED)

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	Three months to September 30, 2004	YTD 2004	Three months to September 30, 2003	YTD 2003
<b>OPERATING ACTIVITIES</b>				
Net (loss) for the period	(\$ 76,083)	(\$178,898)	(\$23,709)	(\$33,412)
Adjustment for amortization	94	279	132	392
	( 75,989)	( 178,619)	( 23,577)	( 33,020)
Changes in non-cash working capital				
- Accounts receivable	( 12,862)	( 1,456)	( 182)	3,017
- Prepaid expenses	( 2,780)	( 5,006)	1,329	278
- Accounts payable and accruals	3,075	( 4,531)	13,489	13,519
	( 88,556)	( 189,612)	( 8,941)	( 16,206)
<b>INVESTING ACTIVITIES</b>				
Interest in mineral property	( 185,862)	( 274,166)	( 23,030)	( 58,309)
	( 185,862)	( 274,166)	( 23,030)	( 58,309)
<b>FINANCING ACTIVITIES</b>				
Stock based compensation	34,919	65,541	-	-
Capital stock issued	9,480	627,277	-	72,020
Long-term debt	-	( 33,922)	14,259	( 5,050)
	44,399	658,896	14,259	66,970
INCREASE (DECREASE) IN CASH	( 230,019)	195,118	( 17,712)	( 7,545)
CASH, BEGINNING OF PERIOD	679,031	253,894	49,729	39,562
CASH, END OF PERIOD	\$449,012	\$449,012	\$32,017	\$32,017

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# BRIGADIER GOLD LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2004

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1. 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 2,586 common shares and paid \$5,000 cash in connection with the option agreements.

### 4. LONG-TERM DEBT

During the period, the debenture was paid off in full.

5. During the period, the company closed a private placement totalling 135 units at \$5,040 per unit, for an aggregate subscription value of \$680,400. Each unit consists of a combination of 12,000 flow-through common shares and 4,000 common shares and 8,000 common share purchase warrants.

### 6. 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 September 30, 2004, 1,538,900 stock options were outstanding to officers, directors and consultants, as follows:

- 11,000 shares at \$0.12 per share until expiry date, December 8, 2004
- 50,000 shares at \$0.20 per share until expiry date, November 19, 2004
- 80,000 shares at \$0.23 per share until expiry date, November 19, 2004
- 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

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# BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2004

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- 708,400 shares at \$0.23 per share until expiry date, July 6, 2009

## 7. RELATED PARTY TRANSACTIONS

During the period, the company incurred legal fees of \$15,203 to a law firm in which an officer of the company is a partner. In addition, the company incurred exploration expenses of \$89,873 paid to two officers and directors. Salaries to two other officers and directors totalled \$49,100. 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. Included in accounts payable and accruals is \$11,829 owing re the exploration expenses referred to above and \$6,267 owing to the law firm referred to above.