

***BRIGADIER GOLD LIMITED***  
***INTERIM FINANCIAL STATEMENTS***  
***SEPTEMBER 30, 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 Brigadier Gold Limited (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 SEPTEMBER 30, 2006  
(WITH COMPARATIVES AS AT DECEMBER 31, 2005)  
(UNAUDITED)

<b>ASSETS</b>	<u>2006</u>	<u>2005</u>
Current		
Cash	\$ 487,051	\$ 78,656
Prepays and sundry receivables	<u>22,809</u>	<u>28,921</u>
	509,860	107,577
Other		
Interest in mineral properties – note 2	1,336,689	1,264,315
Equipment	<u>645</u>	<u>963</u>
	<u>\$ 1,847,194</u>	<u>\$ 1,372,855</u>

<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 264,929	\$ 176,121
Long-term debt – note 3	<u>80,000</u>	<u>80,000</u>
	<u>344,929</u>	<u>256,121</u>

<b>SHAREHOLDERS' EQUITY</b>		
Share capital	3,267,233	2,465,992
Stock based compensation	214,477	190,431
Deficit	<u>( 1,979,445)</u>	<u>( 1,539,689)</u>
	<u>1,502,265</u>	<u>1,116,734</u>
	<u>\$ 1,847,194</u>	<u>\$ 1,372,855</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF DEFICIT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2006**  
**(WITH COMPARATIVES FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2005)**  
**(UNAUDITED)**

	Three months to September 30, 2006	YTD 2006	Three months to September 30, 2005	YTD 2005
Deficit, beginning of period	\$(1,886,758)	\$(1,539,689)	\$( 1,375,866)	\$( 1,243,303)
Net loss	<u>( 92,687)</u>	<u>( 439,756)</u>	<u>( 73,612)</u>	<u>( 206,175)</u>
Deficit, end of period	<u>\$(1,979,445)</u>	<u>\$(1,979,445)</u>	<u>\$(1,449,478)</u>	<u>\$(1,449,478)</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF OPERATIONS**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2006**  
**(WITH COMPARATIVES FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2005)**  
**(UNAUDITED)**

	Three months to September 30, 2006	YTD 2006	Three months to September 30, 2005	YTD 2005
Revenue				
Interest earned	\$ <u>4,543</u>	\$ <u>5,866</u>	\$ <u>267</u>	\$ <u>3,375</u>
Expenses				
Salaries, directors fees and benefits	52,908	277,007	47,546	91,179
Consulting fees	6,000	61,290	-	-
Stock based compensation	9,570	24,046	18,383	70,351
General and administrative	8,170	38,380	6,446	27,840
Professional fees	4,672	21,908	416	12,920
Advertising and promotion	14,839	19,822	1,029	7,077
Interest on long-term debt	1,008	2,992	-	-
Amortization	<u>63</u>	<u>177</u>	<u>59</u>	<u>183</u>
	<u>97,230</u>	<u>445,622</u>	<u>73,879</u>	<u>209,550</u>
Net loss	\$( <u>92,687</u> )	\$( <u>439,756</u> )	\$( <u>73,612</u> )	\$( <u>206,175</u> )
Net loss per share	\$( <u>0.01</u> )	\$( <u>0.02</u> )	\$( <u>0.01</u> )	\$( <u>0.02</u> )

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2006**  
**(WITH COMPARATIVES FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2005)**  
**(UNAUDITED)**

	Three months to September 30, 2006	YTD 2006	Three months to September 30, 2005	YTD 2005
Operating activities:				
Net loss	\$( 92,687)	\$(439,756)	\$( 73,612)	\$(206,175)
Items not affecting cash:				
Amortization	63	177	59	183
Stock based compensation	<u>9,570</u>	<u>24,046</u>	<u>18,383</u>	<u>70,351</u>
	( 83,054)	(415,533)	( 55,170)	(135,641)
Changes in non-cash working capital items:				
Prepays and sundry receivables	( 12,321)	6,112	( 2,176)	13,832
Accounts payable and accrued liabilities	<u>(117,501)</u>	<u>88,808</u>	<u>(34,026)</u>	<u>( 20,500)</u>
Cash used in operating activities	<u>(212,876)</u>	<u>(320,613)</u>	<u>( 91,372)</u>	<u>(142,309)</u>
Financing activities:				
Issue of common shares for cash	308,250	732,741	-	48,000
Issue of common shares under option agreements	-	51,000	-	1,000
Issue of common shares for debt settlement	-	97,685	27,052	27,052
Share issue costs	<u>( 37,755)</u>	<u>( 80,185)</u>	<u>-</u>	<u>-</u>
Cash provided by financing activities	<u>270,495</u>	<u>801,241</u>	<u>27,052</u>	<u>76,052</u>
Investing activities:				
Deferred exploration costs	<u>1,137</u>	<u>( 72,233)</u>	<u>( 82,225)</u>	<u>(268,778)</u>
Cash used in investing activities	<u>1,137</u>	<u>( 72,233)</u>	<u>( 82,225)</u>	<u>(268,778)</u>
Increase (decrease) in cash position	58,756	408,395	(146,545)	(335,035)
Cash, beginning of period	<u>428,295</u>	<u>78,656</u>	<u>161,513</u>	<u>350,003</u>
Cash, end of period	<u>\$487,051</u>	<u>\$487,051</u>	<u>\$14,968</u>	<u>\$14,968</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006  
(UNAUDITED)

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 an 80% interest in 12 mining claims located in Whitney Township near Timmins, Ontario ("the Property"). 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)  
SEPTEMBER 30, 2006  
(UNAUDITED)

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 September 30, 2006, 2,298,600 stock options were outstanding to officers, directors and consultants:

- 418,000 shares at \$0.20 per share until September 3, 2008
- 325,600 shares at \$0.23 per share until July 6, 2009
- 390,000 shares at \$0.15 per share until June 1, 2010
- 100,000 shares at \$0.155 per share until June 6, 2011
- 100,000 shares at \$0.15 per share until July 6, 2011
- 965,000 shares at \$0.15 per share until August 29, 2011

5. Related party transactions

During the period, the company incurred legal fees of \$35,290 to a law firm in which an officer of the company is a partner. Also, consulting fees of \$3,000 were paid to a company owned by a director of the company. Directors fees paid during the period totaled \$66,500. Salaries paid to two other officers and directors during the period totaled \$99,688. Included in salaries expense is an accrual of \$104,500 for directors fees and compensation, and an accrual of \$96,500 for directors fees and compensation for two officers and directors. Included in accounts payable and accruals is \$201,000 owing for the directors fees and compensation of \$104,500 and \$96,500 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. Settlement of debt

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.

7. Exercise of warrants

On June 19, 2006 670,000 outstanding common share purchase warrants were exercised at \$0.12 for net proceeds of \$80,400.

**BRIGADIER GOLD LIMITED**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2006  
(UNAUDITED)

8. Non-brokered equity financings

On May 25, 2006, the company completed 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 company 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 company 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.

On June 6, the company completed a non-brokered equity financing made up of 1,240,000 Units for aggregate gross proceeds in the amount of \$155,000. Each unit is comprised of one common share of the company plus one warrant. Each warrant entitles the holder thereof to acquire one additional common share of the company at any time for a period of up to one year from the date of issue for \$0.18 per share. NuWave Financial of Vancouver received a 10% cash commission on this placement. The company plans to use the proceeds from the offering for general working capital and to further fund exploration and development activities. This was the first of two tranches. The second tranche was completed on July 6, 2006.

On July 6, 2006, the company completed the second and final tranche of 1,140,000 Units for an aggregate of gross proceeds in the amount of \$142,500. The total gross proceeds raised under this offering were \$297,500. Each unit is comprised of one common share of the company plus one warrant. Each warrant entitles the holder thereof to acquire one additional common share of the company at any time for a period of up to one year from the date of issue for \$0.18 per share. NuWave Financial of Vancouver received a 10% cash commission on the placement. The company plans to use the proceeds from the offering for general working capital and to further fund exploration and development activities.

On July 7, 2006, the company completed a non-brokered private placement for 1,105,000 units at a purchase price of \$0.15 per unit, for gross proceeds of \$165,750. Two sets of units were offered – Flow-Through Unit "A" and Unit "B". Each Flow-Through Unit "A" is

**BRIGADIER GOLD LIMITED**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2006  
(UNAUDITED)

8. Non-brokered equity financings (continued)  
comprised of one flow-through common share of the company plus one half warrant. Each full warrant entitles the holder thereof to acquire one additional common share of the Company at any time for a period of up to 18 months from the date of issue at a price of \$0.20 per share. Each Unit "B" is comprised of one common share of the company plus one warrant. Each warrant entitles the holder thereof to acquire one additional common share of the company at any time for a period of up to 18 months from the date of issue at a price of \$0.20 per share. A total of 1,105,000 Unit "A"s were issued and no Unit "B"s were issued. Integral Wealth Management Limited, of Toronto, received a finder's fee that consists of a cash payment equal to 8% of the gross proceeds of the placement, plus that number of finder's warrants equal to 10% of the aggregate number of securities distributed by the issuer. Each such warrant will entitle the holder to purchase one Unit "B" at an exercise price of \$0.15 for a period of 18 months. The company plans to use the proceeds from the offering to further fund exploration and development activities and for general working capital.
  
9. Certain of the comparative figures as at September 30, 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 September 30, 2006.