
CONSOLIDATED FINANCIAL STATEMENTS

BRIGADIER GOLD LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2003

BRIGADIER GOLD LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

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Chartered Accountants

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AUDITORS' REPORT

**To the Shareholders of
Brigadier Gold Limited
Toronto, Ontario**

We have audited the consolidated balance sheets of **Brigadier Gold Limited** as at December 31, 2003 and 2002 and the consolidated statements of earnings, deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly in all material respects, the financial position of the company as at December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
April 22, 2004



Chartered Accountants

BRIGADIER GOLD LIMITED

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2003

	2003 \$	2002 \$
ASSETS		
CURRENT		
Cash	253,894	39,562
Accounts receivable	19,915	6,637
Prepaid expenses	334	2,959
	<hr/> 274,143	<hr/> 49,158
INTEREST IN MINERAL PROPERTY (note 3)	375,371	243,951
EQUIPMENT (notes 4 and 11)	1,889	1,828
	<hr/> 651,403	<hr/> 294,937
LIABILITIES		
CURRENT		
Accounts payable and accruals	52,502	36,713
LONG-TERM DEBT (note 5)	33,922	166,739
	<hr/> 86,424	<hr/> 203,452
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 6)	1,527,297	1,012,409
DEFICIT	(962,318)	(920,924)
	<hr/> 564,979	<hr/> 91,485
	<hr/> 651,403	<hr/> 294,937

ON BEHALF OF THE BOARD:

Director

Director

See accompanying notes.

BRIGADIER GOLD LIMITED

CONSOLIDATED STATEMENT OF DEFICIT FOR THE YEAR ENDED DECEMBER 31, 2003

	2003 \$	2002 \$
DEFICIT, beginning of year	(920,924)	(508,600)
Net loss for year	(41,394)	(412,324)
DEFICIT, end of year	(962,318)	(920,924)

See accompanying notes.

BRIGADIER GOLD LIMITED

CONSOLIDATED STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2003

	2003 \$	2002 \$
<hr/>		
REVENUE		
Fees	65,887	155,395
Interest	1,183	688
	<hr/> 67,070	<hr/> 156,083
EXPENSES		
Foreign exchange (gain)	(32,268)	(1,143)
General and administrative	51,613	37,448
Interest on long-term debt	23,002	11,778
Marketing	45,274	158,524
Professional fees	20,067	21,603
Amortization	776	739
	<hr/> 108,464	<hr/> 228,949
LOSS FROM OPERATIONS (note 8)	(41,394)	(72,866)
WRITE-DOWN OF INTANGIBLE ASSETS	-	(339,458)
<hr/>		
NET LOSS FOR YEAR (note 8)	(41,394)	(412,324)

See accompanying notes.

BRIGADIER GOLD LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002
	\$	\$
OPERATING ACTIVITIES		
Net loss for year	(41,394)	(412,324)
Adjustments for:		
- Amortization	776	739
- Unrealized foreign exchange	(7,354)	-
- Write-down of intangible assets	-	339,458
	(47,972)	(72,127)
Changes in non-cash working capital		
- Accounts receivable and prepaid expenses	(10,653)	(5,006)
- Accounts payable and accruals	15,789	5,247
	(42,836)	(71,886)
INVESTING ACTIVITIES		
Interest in mineral property	(131,420)	(66,889)
Purchase of equipment	(837)	-
	(132,257)	(66,889)
FINANCING ACTIVITIES		
Capital stock issued	514,888	128,500
Long-term debt	(125,463)	10,339
	389,425	138,839
INCREASE IN CASH	214,332	64
CASH, BEGINNING OF YEAR	39,562	39,498
CASH, END OF YEAR	253,894	39,562

See accompanying notes.

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

1/ CONTINUING OPERATIONS

These financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assume that the company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Future mineral exploration and development may be dependent upon the company’s ability to secure financing to the extent that there are insufficient funds from operations.

The company’s wholly-owned Netherlands Antilles subsidiary (Cyber Provider Corporation N.V.) terminated its agreement in respect to marketing to “Casino 8 Online” (see note 11/)

2/ ACCOUNTING POLICIES

These consolidated financial statements of Brigadier Gold Limited, and its subsidiaries, have been prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of Millennium Entertainment Limited and Cyber Provider Corporation N.V. on a consolidated basis. Intercompany accounts and transactions have been eliminated.

Amortization

Equipment are amortized over their estimated useful lives, at the following annual rates:

Computer equipment	-	30%, declining-balance basis
Exploration equipment	-	25%, declining-balance basis
Office equipment	-	20%, declining balance basis

Interest in mineral property

The costs of mineral property and related exploration expenditures are capitalized until the properties to which they relate are placed into production, sold or allowed to lapse. These expenditures will be amortized when the property is developed to the stage of commercial production using the unit of production method based on the expected economic life of the property. Accumulated costs related to the property will be expensed in the year the property is sold. Administrative expenditures are charged to operations as incurred.

The amounts shown for the mineral property, and related exploration expenditures, represent costs to date and do not necessarily reflect present or future values. Future development of the mining property, recovery of related costs and the ability to meet financial commitments on existing claims will depend upon the development of commercially viable reserves, equipment financing arrangements, mineral market conditions, environmental considerations and general economic conditions.

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2003

2/ ACCOUNTING POLICIES (Continued)

Stock options

The company has granted stock options to certain officers and directors (see note 7/). Gains or losses as a result of differences between the exercised price and market value are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Foreign currency translation

Foreign currency transactions and foreign operations which are integrated and translated are as follows:

- a/ Non-monetary items denominated in foreign currency are translated at the historical rate of exchange;
- b/ revenue and expense items are translated at the average rate of exchange in effect for the fiscal year in which they occur;
- c/ monetary items are translated at the rate of exchange in effect at the balance sheet date; exchange gains and losses on monetary items are taken into income in the current year.

Future income taxes

The company has adopted the liability method of accounting for income taxes, as outlined in the provisions of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants.

Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

3/ INTEREST IN MINERAL PROPERTY

Property	Property \$	Deferred Exploration Costs \$	<u>Total</u>	
			2003 \$	2002 \$
Matachewan/Kirkland Lake/Larder Lake Area of Northern Ontario	1,000	374,371	375,371	243,951

Pursuant to an agreement dated February 23, 1996, the company acquired a 100% interest in 19 patented mining claims and 10 licences of occupation in the Larder Lake Mining Division of Northern Ontario for a total consideration of \$27,100. The agreement is subject to a 1 ½% gross smelter return retained by the vendor. The gross smelter return can be reduced to ¾% at any time for \$900,000.

During the year, the company increased its mining claims by 352 claim units under option through the issuance of common shares and cash.

As at December 31, 2003, there were 29 claims under ownership and 384 claim units under option.

4/ EQUIPMENT

	Cost \$	Accumu- lated Amorti- zation \$	<u>Net Book Value</u>	
			2003 \$	2002 \$
Computer equipment	7,154	5,532	1,622	1,482
Exploration equipment	1,214	1,052	162	216
Office equipment	497	392	105	130
	8,865	6,976	1,889	1,828

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

5/ LONG-TERM DEBT

Long-term debt represents a \$32,413 (U.S. \$25,000) debenture.

The debenture and all accrued interest is due July 15, 2005, with interest at 10% per annum, calculated semi-annually.

	2003 \$	2002 \$
Principal	32,413	118,320
Interest	1,509	48,419
	33,922	166,739

Subsequent to the year end, the debenture was paid off in full.

6/ CAPITAL STOCK

Authorized

Unlimited common shares

Issued	2003 \$	2002 \$
7,369,430 Common shares (2002 – 4,280,465)	1,527,297	1,012,409

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

6/ CAPITAL STOCK (Continued)

Changes in the issued common shares are as follows:

	Shares #	Amount
Balance , December 31, 1996	10,343,800	\$ 294,575
Share consolidation (4.76 for 1)	(8,168,790)	-
	2,175,010	294,575
Issued for cash	705,000	208,400
Share issue costs	-	(51,816)
Balance , December 31, 1997	2,880,010	451,159
Private placement	345,000	345,000
Stock options exercised	295,455	65,000
Balance , December 31, 1998, 1999 and 2001	3,520,465	861,159
Stock options exercised	175,000	22,750
Balance , December 31, 2001	3,695,465	883,909
Private placement	585,000	128,500
Balance , December 31, 2002	4,280,465	1,012,409
Private placement	2,433,965	438,681
Shares under option agreements	297,000	69,250
Stock options exercised	358,000	45,940
Share issue costs	-	(38,983)
Balance , December 31, 2003	7,369,430	1,527,297

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2003

7/ STOCK OPTIONS

As at December 31, 2003, the following stock options were outstanding to officers and directors:

- 90,000 shares at \$0.12 per share until June 27, 2005
- 35,000 shares at \$0.21 per share until June 7, 2006
- 804,500 shares at \$0.20 per share until September 3, 2008

8/ EARNINGS PER SHARE

Earnings per share are calculated on the basis of the weighted average number of shares outstanding. The effects of stock options and debt conversion have been excluded in determining the weighted average number of shares, as this would decrease the reported loss per share on a fully-diluted basis:

	2003	2002
	\$	\$
Loss per share from operations	(0.01)	(0.02)
Net loss per share for year	(0.01)	(0.10)

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

9/ SEGMENTED INFORMATION

The company operates in the mining exploration and development industry. During the year and until December 22, 2003, the company operated in the internet casino on-line marketing industry. The following is a summary of operations by business segments:

	Mining \$	Marketing Rights \$	Total \$
For the year ended December 31, 2003			
Revenue	1,183	65,887	67,070
Net earnings (loss)	(62,354)	113,204	50,850
Amortization	776	-	776

December 31, 2003

Identifiable assets

Mineral property and deferred exploration costs	375,371	-	375,371
- Other equipment	1,889	-	1,889
	377,260	-	377,260

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

9/ SEGMENTED INFORMATION (Continued)

	Mining \$	Marketing Rights \$	Total \$
<hr/>			
For the year ended December 31, 2002			
Revenue	688	155,395	156,083
<hr/>			
Net loss	(61,406)	(347,904)	(409,310)
<hr/>			
Amortization	739	-	739
<hr/>			

December 31, 2002

Identifiable assets

Mineral property and deferred exploration costs	243,951	-	243,951
- Other equipment	1,828	-	1,828
<hr/>			
	245,779	-	\$245,779
<hr/>			

Geographic information

The following table sets out certain geographic information relative to the company:

	2003 \$	2002 \$
<hr/>		
Revenue		
- Canada	1,183	686
- Netherlands Antilles	65,887	155,395

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

10/ INCOME TAXES

The company has \$174,058 and \$101,371 of Canadian exploration expenditures and Canadian development expenditures, respectively, as at December 31, 2003, which, under certain circumstances, may be utilized to reduce taxable income in future years.

The company has approximately \$383,000 of income tax losses available, which can be applied against taxable income in future years to reduce taxes otherwise payable. If unused, these losses expire as follows:

	\$
Year ended December 31, 2004	9,400
Year ended December 31, 2005	79,800
Year ended December 31, 2006	67,300
Year ended December 31, 2007	68,100
Year ended December 31, 2008	29,700
Year ended December 31, 2009	9,000
Year ended December 31, 2010	60,700
Year ended December 31, 2011	59,000
	<hr/> 383,000 <hr/>

No recognition of the tax benefit of these losses has been accrued in the financial statements.

11/ LICENCE AGREEMENT

The company, through one of its subsidiaries, has entered into a licence agreement with WagerLogic Limited (a Cyprus corporation) (formerly Intertainet Overseas Licensing Limited) to provide marketing services to a virtual "on-line" casino. The company paid \$250,000 (in U.S. funds) for this licence. In consideration it receives net casino winnings less finance charges and other costs.

Effective December 22, 2003, WagerLogic Limited and Cyber Provider Corporation N.V. agreed to discontinue their software support and licensing agreements.

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2003

12/ INTEREST PAID

During the year, the company had cash flows from interest and taxes paid, as follows:

	2003 \$	2002 \$
Income taxes	NIL	NIL
Interest paid	4,218	16,906

13/ RELATED PARTY TRANSACTIONS

The company incurred legal fees of \$20,650 (2002 - \$10,488) to a law firm in which an officer of the company is a partner. In addition, the company incurred exploration expenses of \$20,000 (2002 - \$12,000) paid to two officers, one of whom is also a director of the company. Salaries paid to two other officers and directors totalled \$8,600 (2002 - \$NIL). 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 \$6,068 (2002 - \$10,134) owing to the law firm referred to above.

14/ OPTION AGREEMENTS

During the year, documentation pertaining to option agreements between the company and arms'-length vendors was finalized, bringing the total mining claims under option and ownership to 413. The total consideration over four years, on two agreements, is \$115,000 and/or 500,000 shares of the company. The consideration on the third agreement totals up to \$50,000 and 500,000 shares of the company. In order to maintain these options, the company is required to incur exploration expenditures of \$1,000,000 over the four-year period.

BRIGADIER GOLD LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2003

15/ FINANCIAL INSTRUMENTS

- a/ The carrying amounts of cash, accounts receivable and accounts payable and accruals approximate fair value because of the short-term maturity of these financial instruments.
- b/ The carrying amount of long-term debt approximates its fair market value as it is interest bearing at market rates.

16/ SUBSEQUENT EVENT

Subsequent to the year end, the company secured 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.