
FINANCIAL STATEMENTS

BRIGADIER GOLD LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2004

BRIGADIER GOLD LIMITED

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Contents	Page
AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Balance sheet	1
Statement of deficit	2
Statement of earnings	3
Statement of cash flows	4
NOTES TO FINANCIAL STATEMENTS	5 - 14

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AUDITORS' REPORT

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

We have audited the balance sheets of **Brigadier Gold Limited** as at December 31, 2004 and 2003 and the statements of earnings, deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements present fairly in all material respects, the financial position of the company as at December 31, 2004 and 2003, 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 20, 2005**

Kestenberg Rabinowicz & Partners LLP

Chartered Accountants

BRIGADIER GOLD LIMITED

BALANCE SHEET AS AT DECEMBER 31

	2004 \$	2003 \$
		(Note 16)
ASSETS		
CURRENT		
Cash	350,003	253,894
Accounts receivable	-	19,915
Prepaid expenses and sundry	38,275	334
	388,278	274,143
INTEREST IN MINERAL PROPERTY (note 3)	894,339	375,371
EQUIPMENT (note 4)	1,355	1,889
	1,283,972	651,403
LIABILITIES		
CURRENT		
Accounts payable and accruals	69,648	52,502
LONG-TERM DEBT	-	33,922
	69,648	86,424
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (note 5)	2,351,427	1,527,297
STOCK BASED COMPENSATION (note 6)	106,200	19,871
DEFICIT	(1,243,303)	(982,189)
	1,214,324	564,979
	1,283,972	651,403

ON BEHALF OF THE BOARD:

Director



Director



See accompanying notes.

BRIGADIER GOLD LIMITED

STATEMENT OF DEFICIT FOR THE YEAR ENDED DECEMBER 31

	2004 \$	2003 \$
		(Note 16)
DEFICIT, beginning of year	(970,683)	(920,924)
Accounting change (notes 6 and 9)	(19,871)	-
As restated	(990,554)	(920,924)
Net loss for year	(252,749)	(61,265)
DEFICIT, end of year	(1,243,303)	(982,189)

See accompanying notes.

BRIGADIER GOLD LIMITED

STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31

	2004 \$	2003 \$
		(Note 16)
REVENUE		
Fees	-	65,887
Interest	9,653	1,183
	9,653	67,070
EXPENSES		
Advertising and promotion	21,746	5,209
Foreign exchange (gain)	(1,091)	(32,268)
General and administrative	52,030	37,183
Interest on long-term debt	597	23,002
Management salaries and benefits	73,837	9,221
Marketing	-	45,274
Professional fees	28,419	20,067
Stock based compensation	86,329	19,871
Amortization	535	776
	262,402	128,335
NET LOSS FOR YEAR (note 7)	(252,749)	(61,265)

See accompanying notes.

BRIGADIER GOLD LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31

	2004 \$	2003 \$
		(Note 16)
OPERATING ACTIVITIES		
Net loss for year	(252,749)	(61,265)
Adjustments for:		
- Amortization	535	776
- Unrealized foreign exchange	-	(7,354)
- Stock based compensation	86,329	19,871
	(165,885)	(47,972)
Changes in non-cash working capital		
- Accounts receivable and prepaid expenses	(30,594)	(10,653)
- Accounts payable and accruals	19,826	15,789
	(176,653)	(42,836)
INVESTING ACTIVITIES		
Investment in and advances to subsidiary	2,350	-
Interest in mineral property	(518,968)	(131,420)
Purchase of equipment	-	(837)
	(516,618)	(132,257)
FINANCING ACTIVITIES		
Capital stock issued	824,130	514,888
Long-term debt	(33,922)	(125,463)
	790,208	389,425
INCREASE IN CASH	96,937	214,332
CASH, BEGINNING OF YEAR	253,066	39,562
CASH, END OF YEAR	350,003	253,894

See accompanying notes.

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

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.

2/ ACCOUNTING POLICIES

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 FINANCIAL STATEMENTS
DECEMBER 31, 2004

2/ ACCOUNTING POLICIES (Continued)

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 FINANCIAL STATEMENTS DECEMBER 31, 2004

3/ INTEREST IN MINERAL PROPERTY

Property	Property \$	Deferred Exploration Costs \$	Total	
			2004 \$	2003 \$
Matachewan/Kirkland Lake/Larder Lake Area of Northern Ontario	1,000	893,339	894,339	375,371

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 1/2% gross smelter return retained by the vendor. The gross smelter return can be reduced to 3/4% at any time for \$900,000.

During the year, the company increased its mining claims by 31 claim units.

As at December 31, 2004, there were 45 claims under ownership and 399 claim units under option.

4/ EQUIPMENT

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2004 \$	2003 \$
Computer equipment	7,154	6,003	1,151	1,622
Exploration equipment	1,214	1,094	120	162
Office equipment	497	413	84	105
	8,865	7,510	1,355	1,889

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

5/ CAPITAL STOCK

Authorized

Unlimited common shares

Issued	2004 \$	2003 \$
10,671,582 Common shares (2003 – 7,369,430)	2,351,427	1,527,297

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

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

5/ CAPITAL STOCK (Continued)

	Shares #	Amount \$
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
Private placement	2,876,900	841,702
Shares under option agreements	178,586	38,750
Stock options exercised	90,000	10,800
Stock warrants exercised	156,666	23,500
Share issue costs	-	(90,622)
Balance, December 31, 2004	10,671,582	2,351,427

6/ STOCK OPTIONS

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

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 December 31, 2004, the following stock options were outstanding to officers and directors:

- 35,000 shares at \$0.21 per share until June 7, 2006
- 654,500 shares at \$0.20 per share until September 3, 2008
- 528,400 shares at \$0.23 per share until July 6, 2009

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

7/ 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:

	2004	2003
	\$	\$
Net loss per share for year	(0.02)	(0.01)

8/ SEGMENTED INFORMATION

The company operates in the mining exploration and development industry. 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
	\$
For the year ended December 31, 2004	
Revenue	9,653
Net loss	(252,749)
Amortization	535
December 31, 2004	
Identifiable assets	
Mineral property and deferred exploration costs	894,339
- Other equipment	1,355
	895,694

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

8/ SEGMENTED INFORMATION (Continued)

	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

Geographic information

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

	2004 \$	2003 \$
Revenue		
- Canada	9,653	1,183
- Netherlands Antilles	-	65,887

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

9/ 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 used fair value method of accounting for stock options granted to employees and directors (see note 6/). Compensation expense was recorded for options granted and still outstanding prior to 2004 on a retroactive basis. Accordingly, the comparative figures and opening retained earnings have been restated to show the effect of compensation expense associated with stock options granted to employees and directors.

10/ INCOME TAXES

The company has \$632,195 and \$161,548 of Canadian exploration expenditures and Canadian development expenditures, respectively, as at December 31, 2004, which, under certain circumstances, may be utilized to reduce taxable income in future years.

The company has approximately \$455,800 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, 2005	67,300
Year ended December 31, 2006	68,100
Year ended December 31, 2007	29,700
Year ended December 31, 2008	9,000
Year ended December 31, 2009	60,700
Year ended December 31, 2010	59,000
Year ended December 31, 2011	162,000
	<hr/> 455,800 <hr/>

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

BRIGADIER GOLD LIMITED

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2004

11/ INTEREST PAID

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

	2004 \$	2003 \$
Income taxes	NIL	NIL
Interest paid	597	4,218

12/ RELATED PARTY TRANSACTIONS

The company incurred legal fees of \$18,813 (2003 - \$20,650) to a law firm in which an officer of the company is a partner. In addition, the company incurred exploration expenses of \$115,035 (2003 - \$20,000) paid to two officers, both of whom are directors of the company. Salaries paid to two other officers and directors totalled \$69,800 (2003 - \$8,600), and are pursuant to management agreements accepted by the TSX Venture Exchange. 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 \$6,126 (2003 - \$6,068) owing to the law firm referred to above.

13/ OPTION AGREEMENTS

During the previous 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 444. 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 FINANCIAL STATEMENTS DECEMBER 31, 2004

14/ FINANCIAL INSTRUMENTS

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.

15/ SUBSEQUENT EVENT

Subsequent to the year-end, the company secured a non-brokered private placement, totalling 400,000 common shares at \$0.12 per shares, for an aggregate subscription value of \$48,000. Moreover, the company issued 4,000 shares under an option agreement amounting to \$1,160.

16/ COMPARATIVE FIGURES

Certain comparative figures were reclassified to conform with the current year's presentation. Comparative figures including the opening and closing retained earnings represent consolidated statements of Brigadier Gold Limited and its subsidiaries, Cyber Provider Corporation N.V. and Millennium Entertainment Limited.

Both subsidiary companies were dissolved at year-end, however, the legal formality for dissolving Millennium Entertainment Limited has not been completed as yet.