

BRIGADIER GOLD LIMITED

ANNUAL REPORT

2002

Brigadier Gold Limited
TSX Venture Exchange symbol: YRG
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Report to Shareholders

Brigadier Gold Limited's wholly owned Netherlands Antilles subsidiary, Cyber Provider Corporation N.V., is pleased to announce that Casino 8 Online at <http://www.casino8online.com> commenced its sixth year of operation in April, 2003.

The Revenue for Brigadier Gold Limited for the year ended December 31, 2002 amounted to CDN\$156,083 compared to CDN\$504,416 for the year ended December 31, 2001. The Net Loss for the year ended December 31, 2002 totaled CDN\$412,324 after the writedown of intangible assets of \$339,458 compared to Net Earnings of CDN\$41,473 for the year ended December 31, 2001 after the gain on sale of surface rights of \$42,668. The Net Loss for the year ended December 31, 2002 totaled CDN\$72,866 before the writedown of intangible assets of \$339,458 compared to a Net Loss of CDN\$1,195 for the year ended December 31, 2001 before the gain on sale of surface rights of \$42,668. The Basic Loss per share for the year ended December 31, 2002 after the write-down of intangible assets of \$339,458 amounted to \$0.10 compared to a Basic Earnings per share of \$0.01 for the year ended December 31, 2001 after the gain on sale of surface rights of \$42,668. The Basic Loss per share for the year ended December 31, 2002 before the write-down of intangible assets of \$339,458 amounted to \$0.02 compared to a Basic Earnings per share of \$0.00 for the year ended December 31, 2001 before the gain on sale of surface rights of \$42,668.

The Revenue for the first quarter ended March 31, 2003 amounted to CDN\$29,644 compared to CDN\$51,173 for the first quarter ended March 31, 2002. The Net Loss for the first quarter ended March 31, 2003 totaled CDN\$3,017 compared to a Net Loss of CDN\$14,892 for the first quarter ended March 31, 2002. The Basic Loss per share for the first quarter ended March 31, 2003 amounted to nil compared to nil for the first quarter ended March 31, 2002.

From the summer of 2002 into the first quarter of 2003, the Company carried out a major expansion of its mining claim holdings in the Kirkland Lake-Larder Lake area and expanded into the Matachewan area, both located in Northeastern Ontario, Canada. Brigadier Gold Limited, now owns or has an option to own a 100% interest in a total of 405 claim units.

Brigadier Gold Limited intends to operate two separate projects within these claim groups to be known as the Kirkland Lake-Larder Lake Diamond Project and the Kirkland Lake-Larder Lake Gold Project. Brigadier Gold Limited intends to carry out exploration on the 44 mining claim units of the Matachewan property as a part of the Kirkland Lake-Larder Lake Gold Project.

The claim units in the Larder Lake area cover ground which is favourable for the discovery of Precambrian-style quartz-carbonate vein type gold deposits typical of the Kirkland Lake-Larder Lake gold camp mines. This ground is also especially favourable for the discovery of kimberlite pipes and has potential for the discovery of heterolithic lamprophyre breccias (as found in the Wawa, Ontario area and the nearby Cobalt area) both of which may carry economic concentrations of diamonds.

The Kirkland Lake-Larder Lake Gold Project area includes the original Benson Creek gold property where Brigadier uncovered significant surface gold showings in 1996 and 1997. A 1000 m diamond drill program was commenced in July 2002 but was suspended after drilling of three holes totalling 600 meters. This limited program intersected a few narrow near-surface gold zones with subeconomic mineralization and was confined to a small area having dimensions of approximately 100 meters by 100 meters. The geology in the 1937-5 area consists of very complexly faulted and folded rock units which presents a challenge for the drill definition of the surface zones. In 1997, diamond drilling totalling 3300 meters was recommended as follow-up for the Benson Creek gold property and this recommendation still holds being that several excellent targets remain untested on the property. Also, the addition of the optioned claims opens up further favourable ground for surface and subsurface gold exploration. Some of the optioned claims straddle the regional Larder-Cadillac fault (closely associated with the gold mines of the Kirkland Lake and Larder Lake, Ontario area and with the gold mines of the Noranda, Cadillac, Malartic and Val d'Or areas of Quebec), giving your Company another favourable gold exploration target area. In 1949, diamond drilling of a syenite dyke in this area produced 8 intersections with grades ranging from trace up to 0.80 ounces gold per ton with the best intercept being 0.19 ounces gold per ton over 4 feet. In addition, your Company has been supplied brief information regarding three other old gold showings in this area which present possible gold exploration targets. Further research of the numerous Ontario Geological Survey assessment file reports and maps for all these claims will require a visit to Kirkland Lake in the near future.

The Kirkland Lake-Larder Lake Diamond Project area lies within the Lake Timiskaming Structural Zone in which the kimberlite pipes of the Attawapiskat, Kirkland Lake and New Liskeard areas are located. Over the past 10 to 15 years there have been approximately 24 kimberlite pipes discovered (many by De Beers Exploration Canada Inc.) in the Attawapiskat area which is located near James Bay at a distance of approximately 500 km to the northwest of Kirkland Lake. One cluster of 18 kimberlite pipes has been identified over an area roughly 10 km wide by 30 km long. Sixteen of these kimberlite pipes are reported by De Beers to be diamondiferous. De Beers Exploration Canada Inc. has stated that a feasibility study began at its Victor pipe in the James Bay area in January 2003 and will take approximately 12 months to complete. The results of this work will determine if Victor can advance to mine development. A resource of 36.2 million tonnes with a grade of 0.43 carats at US\$150 per carat has been calculated for the Victor pipe.

In the Kirkland Lake area, 8 kimberlite pipes have been discovered within 25 km of the Brigadier Gold Limited Kirkland Lake-Larder Lake Diamond Project. These pipes were discovered as early as 1983 and discovery continued throughout the 1980's up into the early 1990's when exploration ceased in the area. In fact, one of the first recorded kimberlites in Ontario was discovered in 1968 at the Upper Canada Mine located approximately 6 km northwest of the Brigadier Gold Limited Diamond Lake claim group. It is assumed that diamond exploration prematurely ceased in the Kirkland Lake area due to the November 1991 discovery of diamonds at Lac de Gras in

the Northwest Territories and due to the apparently unfavourable chemistry of the KIM's (kimberlite indicator minerals) in the Kirkland Lake area pipes. Kimberlite exploration in this region shifted about 75 km to the southeast to the Cobalt area and more recently even further south to Temagami and North Bay.

The more recent favourable news regarding the Victor-1 pipe, apparently contradicts the current KIM chemistry model and during the summer drill program on the Benson Creek gold property, Brigadier Gold Limited management recognized the potential for the discovery of kimberlites not only on its own claims but also on other claims in the area. Discussions with the staff of the Resident Geologist's Office of the Ontario Geological Survey in Kirkland Lake led to further research and this convinced Brigadier management that Kirkland Lake still had potential for the discovery of not only more kimberlite pipes but also the distinct possibility of discovering a potentially economic diamondiferous pipe like the Victor. Brigadier Gold Limited decided to suspend the drilling operations on the Benson Creek gold property in order to begin to assemble two land packages: one for diamonds and an addition to its gold holdings in the Larder Lake area, and the other for gold exploration in the Matachewan area.

The 81 kimberlite targets covered by the Kirkland Lake-Larder Lake Diamond Project consist of roughly circular magnetic features approximately three-quarters of which have associated Keating correlation coefficients. Any Keating over 80% represents a good correlation and suggests that the ground magnetic anomaly is an expression of a vertical cylindrical body of rock such as a kimberlite. However, having a Keating correlation with a circular magnetic anomaly does not necessarily mean that the body even exists and if it does that it is a kimberlite. Down-ice KIM's are associated with quite a number of the kimberlite targets of the Kirkland Lake-Larder Lake Diamond Project.

Brigadier Gold Limited intends to establish a detailed grid over any unexplained ground-checked kimberite target, perform a magnetic survey and then diamond drill a 50-100 m hole into the anomaly as defined by the detailed magnetic survey. It is estimated that this will cost approximately \$20,000 per target. Brigadier Gold Limited management has tried to roughly determine what kimberlite target size to possibly expect. From information gleaned regarding one of the Kirkland Lake kimberlite pipes, the B-30, a rough conservative estimation of tonnage of kimberlite would be 22 million tonnes. If such a pipe had diamonds of the grade value of the Victor pipe of the Attiwapiskat area it would most probably be economic in the Kirkland Lake area.

The Matachewan property is in close proximity to, or may actually partially cover the western extension of the Larder-Cadillac regional fault; this fault being an important control for the Kirkland Lake gold camp located about 40 km to the northeast and which produced approximately 24 million ounces of gold from 7 mines at an average grade of 0.45 oz. gold/ton. In addition, two major mines of the Matachewan area which are located about 15 kilometers southwest of our property produced approximately 950,000 ounces of gold at an average grade of 0.10 ounces gold/ton from quartz vein stockworks in syenite intrusives.

Exploration work has been done over all or a part of this property in 1936, the late 1940's, the mid-1960's, the mid-1970's up to the mid-1980's and since then some exploration work has been almost continuously done up to 1998. A grab sample spectacularly grading 18.64 ounces gold per ton was taken by Queenston Mining Inc. in 1990 from a narrow quartz vein having pyrite banding hosted in felsic to intermediate metavolcanics and at a location near the east-central boundary of the property.

Brigadier Gold Limited decided that the Matachewan property was very favourable to explore for economic gold deposits for several reasons: one, the possibility of the regionally significant Larder-Cadillac fault crossing over or nearby to the property; two, the numerous and several higher grade gold samples collected during past exploration on the claims; and, three, especially, the very limited amount of diamond drilling done on the property despite the considerable amounts of surface surveys.

Brigadier Gold Limited intends to seek substantial financing for both the Kirkland Lake-Larder Lake Diamond and Kirkland Lake-Larder Lake Gold Projects in the near future.

Brigadier Gold Limited trades on the TSX Venture Exchange under the symbol **YRG** and has 4,762,465 common shares outstanding.

On behalf of the Board of Directors of Brigadier Gold Limited,
Herb Kokotow
President & Chief Executive Officer
May 12, 2003