

***BRIGADIER GOLD LIMITED***  
***INTERIM FINANCIAL STATEMENTS***  
***JUNE 30, 2007***

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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 (“Brigadier Gold” or “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 JUNE 30, 2007  
(WITH COMPARATIVES AS AT DECEMBER 31, 2006)  
(UNAUDITED)

<b>ASSETS</b>		
	<u>2007</u>	<u>2006</u>
<b>Current</b>		
Cash and cash equivalents	\$ 592,475	\$ 662,738
Prepays and sundry receivables	<u>21,860</u>	<u>26,425</u>
	<u>614,335</u>	<u>689,163</u>
<b>Other</b>		
Mineral properties – note 2	1,597,296	1,442,828
Equipment	<u>2,943</u>	<u>685</u>
	<u>1,600,239</u>	<u>1,443,513</u>
	<u>\$ 2,214,574</u>	<u>\$ 2,132,676</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 113,997	\$ 118,302
Long-term debt – note 3	<u>80,000</u>	<u>80,000</u>
	<u>193,997</u>	<u>198,302</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	4,158,570	3,804,007
Contributed surplus	271,208	237,443
Deficit	<u>( 2,409,201)</u>	<u>( 2,107,076)</u>
	<u>2,020,577</u>	<u>1,934,374</u>
	<u>\$ 2,214,574</u>	<u>\$ 2,132,676</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF DEFICIT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**  
**(WITH COMPARATIVES FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2006)**  
**(UNAUDITED)**

	Three months to June 30, 2007	YTD 2007	Three months to June 30, 2006	YTD 2006
Deficit, beginning of period	\$(2,216,621)	\$(2,107,076)	\$( 1,614,235)	\$( 1,539,689)
Net loss	<u>( 192,580)</u>	<u>( 302,125)</u>	<u>( 272,523)</u>	<u>( 347,069)</u>
Deficit, end of period	<u>\$(2,409,201)</u>	<u>\$(2,409,201)</u>	<u>\$(1,886,758)</u>	<u>\$(1,886,758)</u>

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF OPERATIONS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**  
**(WITH COMPARATIVES FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2006)**  
**(UNAUDITED)**

	Three months to June 30, 2007		Three months to June 30, 2006	
	YTD 2007	YTD 2007	YTD 2006	YTD 2006
Revenue				
Interest earned	\$ <u>5,455</u>	\$ <u>10,266</u>	\$ <u>1,099</u>	\$ <u>1,323</u>
Expenses				
Salaries, directors fees and benefits	63,401	102,713	183,399	224,099
Consulting fees	11,000	47,000	41,170	55,290
General and administrative	19,868	29,311	23,544	30,210
Stock based compensation	17,231	33,765	7,238	14,476
Advertising and promotion	4,458	11,992	2,781	4,983
Professional fees	8,343	12,648	14,436	17,236
Interest on long-term debt	998	1,984	998	1,984
Amortization	<u>254</u>	<u>496</u>	<u>56</u>	<u>114</u>
	125,553	239,909	273,622	348,392
Add: Mineral properties written off	<u>72,482</u>	<u>72,482</u>	<u>-</u>	<u>-</u>
	<u>198,035</u>	<u>312,391</u>	<u>273,622</u>	<u>348,392</u>
Net loss	\$( <u>192,580</u> )	\$( <u>302,125</u> )	\$( <u>272,523</u> )	\$( <u>347,069</u> )
Net loss per share	\$( <u>0.01</u> )	\$( <u>0.01</u> )	\$( <u>0.02</u> )	\$( <u>0.02</u> )

See accompanying notes.  
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**BRIGADIER GOLD LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007**  
**(WITH COMPARATIVES FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2006)**  
**(UNAUDITED)**

	Three months to June 30, 2007	YTD 2007	Three months to June 30, 2006	YTD 2006
Operating activities:				
Net loss	\$(192,580)	\$(302,125)	\$(272,523)	\$(347,069)
Items not affecting cash:				
Amortization	254	496	56	114
Stock based compensation	<u>17,231</u>	<u>33,765</u>	<u>7,238</u>	<u>14,476</u>
	(175,095)	( 267,864)	(265,229)	(332,479)
Changes in non-cash working capital items:				
Prepays and sundry receivables	1,082	4,565	21,808	18,433
Accounts payable and accrued liabilities	<u>7,697</u>	<u>( 4,305)</u>	<u>188,137</u>	<u>206,309</u>
Cash used in operating activities	<u>(166,316)</u>	<u>(267,604)</u>	<u>( 55,284)</u>	<u>(107,737)</u>
Financing activities:				
Issue of common shares	135,000	402,375	522,176	573,176
Share issue costs	<u>( 18,059)</u>	<u>( 47,811)</u>	<u>( 42,430)</u>	<u>( 42,430)</u>
Cash provided by financing activities	<u>116,941</u>	<u>354,564</u>	<u>479,746</u>	<u>530,746</u>
Investing activities:				
Fixed assets	-	( 2,755)	-	-
Mineral properties	<u>36,202</u>	<u>(154,468)</u>	<u>( 18,608)</u>	<u>( 73,370)</u>
Cash provided by (used in) investing activities	<u>36,202</u>	<u>(157,223)</u>	<u>( 18,608)</u>	<u>( 73,370)</u>
Increase (decrease) in cash position	( 13,173)	( 70,263)	405,854	349,639
Cash and cash equivalents, beginning of period	<u>605,648</u>	<u>662,738</u>	<u>22,441</u>	<u>78,656</u>
Cash and cash equivalents, end of period	<u>\$ 592,475</u>	<u>\$ 592,475</u>	<u>\$ 428,295</u>	<u>\$ 428,295</u>
Supplementary disclosure of non-cash transactions:				
Issue of common shares under option agreements for mineral properties	<u>\$ 57,375</u>	<u>\$ 57,375</u>	<u>\$ 51,000</u>	<u>\$ 51,000</u>

See accompanying notes.

**BRIGADIER GOLD LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

On February 28, 2007, the Company signed an agreement with ValGold Resources Ltd. ("ValGold") to amend an agreement (the "Amended Agreement") originally approved by the TSX Venture Exchange on March 15, 2006. Pursuant to the Amended Agreement, the Company issued 425,000 common share purchase warrants to ValGold in consideration for an extension to the original \$250,000 expenditure deadline from March 15, 2007 to October 31, 2007. Each common share purchase warrant entitles ValGold to acquire one additional common share of the Company at any time for a period of 18 months from the date of issue at a price of \$0.15 per common share. In addition 425,000 common shares were issued to ValGold for the payment due on the first anniversary 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)**  
**JUNE 30, 2007**

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	3.00%
Expected life	5 years
Expected volatility	50%
Expected dividends	NIL

As at June 30, 2007, 4,753,600 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
- 50,000 shares at \$0.15 per share until January 22, 2012
- 2,055,000 shares at \$0.12 per share until June 20, 2012
- 350,000 shares at \$0.125 per share until June 29, 2012
- 4,753,600

5. Share purchase warrants – common shares

As at June 30, 2007, 10,433,633 share purchase warrants were outstanding, as follows:

<u>Number</u>	<u>Expiry Date</u>	<u>Exercise Price</u>
1,140,000	July 6, 2007	\$0.18
2,100,000	November 16, 2007	\$0.125
1,285,714	January 20, 2008	\$0.14
1,105,000	February 7, 2008	\$0.20 (for every 2 warrants)
110,500	February 7, 2008	\$0.15
1,914,914	June 23, 2008	\$0.18 (for every 2 warrants)
1,202,505	June 23, 2008	\$0.18 (for every 2 warrants)
1,500,000	June 23, 2008	\$0.15 (for every 2 warrants)
<u>75,000</u>	June 23, 2008	\$0.15
<u>10,433,633</u>		

**BRIGADIER GOLD LIMITED**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2007

6. Related party transactions

During the period, the company incurred legal fees of \$11,648 and share issue costs of \$8,350 with a law firm in which an officer of the Company is a partner. During the period, salaries expense for officers and directors, excluding benefits, totaled \$101,496. During the period, the Company paid a total of \$47,996 in salary to one officer, who is also a director, excluding benefits. The total benefits included in salaries expense to officers and directors amounted to \$1,008. Included in salaries expense for officers and directors for the period is an accrual of \$53,500 for directors fees and compensation. 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 the accounts payable and accruals is \$11,026 owing to the law firm referred to above.

7. Non-brokered equity financings

On February 16, 2007 the Company completed a non-brokered private placement for an aggregate of 2,100,000 Units at a purchase price of \$0.10 per Unit, for gross proceeds of \$210,000. Each Unit is comprised of one common share of the Company plus one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one additional common share of the Company at any time up to November 16, 2007 at a price of \$0.125 per common share. NuWave Financial Ltd. of Vancouver received a 10% cash finder's fee on the placement in the amount of \$21,000.

On April 20, 2007 the Company completed a non-brokered private placement for an aggregate of 1,285,714 Units at a purchase price of \$0.105 per Unit, for gross proceeds of \$135,000. Each Unit is comprised of one common share of the Company plus one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one additional common share of the Company at any time up to January 20, 2008 at a price of \$0.14 per common share. NuWave Financial Ltd. of Vancouver received a 10% cash finder's fee on the placement in the amount of \$13,500.

8. Subsequent events

Subsequent to June 30 2007, the following event occurred:

On July 26 2007 the Company completed a non-brokered private placement for an aggregate of 2,000,000 flow-through Units at a purchase price of \$0.125 per Unit, for gross proceeds of \$250,000. Each flow-through Unit is comprised of one flow-through common share of the Company plus one quarter of one common share purchase warrant. Each full common share purchase warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$0.15 per common share for the first year following the date of issue, and at a price of \$0.20 in the second year following the date of issue. The warrants are exercisable until July 26, 2009. NovaDX Ventures Corp. of Vancouver, B.C. received a 5% cash commission on the placement in the amount of \$12,500, plus 5% in common shares at \$0.125 per share for a total of 100,000 shares.

9. Comparative figures

Certain of the comparative figures as at June 30, 2006 have been reclassified, where necessary, to conform with the financial statement presentation adopted for the year ended December 31, 2006 and the period ended June 30, 2007.