Brigus Gold Corp.
Form 10-Q
August 16, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

R QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-31593

BRIGUS GOLD CORP.
(Formerly APOLLO GOLD CORPORATION)
(Exact name of registrant as specified in its charter)

Yukon Territory, Canada (State or other jurisdiction of incorporation or organization)	Not Applicable (I.R.S. Employer Identification No.)
1969 Upper Water Street, Suite 2001 Halifax, Nova Scotia (Address of principal executive offices)	B3J 3R7 Canada (Zip code)

Registrant's telephone number, including area code: (902) 422-1421

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes R No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes £ No £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," and "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer £	Accelerated Filer R
Non-Accelerated Filer £ (do not check if a smaller reporting company)	Smaller Reporting Company £

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes £ No R

At August 13, 2010, there were 140,658,358 common shares of Brigus Gold Corp. outstanding.

TABLE OF CONTENTS

STATEMENTS REGARDING FORWARD LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains forward looking statements as defined in the Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditures, and exploration and development efforts. Forward-looking statements can be identified by the use of words such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “continue,” or the negative of such terms, or other comparable terminology. These statements include comments regarding:

- the benefits and effects of the business combination with Linear Gold Corp.;
- plans for the development of and production at the Black Fox mine including, without limitation, the timing of the development of, and future production from, the underground mine at Black Fox;
- repayments of indebtedness and our ability to meet our repayment obligations under the Black Fox project finance facility;

- our exploration and development plans, including such plans for our Grey Fox, Pike River, Goldfields, Ixhuatan, Huizopa and Dominican Republic projects;
- our ability to repay the convertible debentures issued to RAB Special Situations (Master) Fund Limited ("RAB") due August 23, 2010;
- the future effect on our share price of share issuances and registration for immediate resale arising from the exercise of a significant number of common share purchase warrants;
- liquidity to support operations and debt repayment;
- future financing of projects, including our Grey Fox, Pike River, Goldfields, Ixhuatan, Huizopa and Dominican Republic projects;
- completion of a Canadian National Instrument 43-101 for our exploration properties;
- the establishment and estimates of mineral reserves and resources;
- daily production, mineral recovery rates and mill throughput rates;
- total production costs;
- cash operating costs;
- total cash costs;
- grade of ore mined and milled from Black Fox and cash flows derived therefrom;
- anticipated expenditures for development, exploration, and corporate overhead;
- timing and issue of permits, including permits necessary to conduct phase II of open pit mining at Black Fox;
- expansion plans for existing properties;
- estimates of closure costs and reclamation liabilities;
- our ability to obtain financing to fund our estimated expenditure and capital requirements;
- factors impacting our results of operations; and
- the impact of adoption of new accounting standards.

These forward looking statements are subject to numerous risks, uncertainties and assumptions including: compliance with the terms of the Black Fox project finance facility; integrating the business of Linear Gold Corp.; recent changes in management; unexpected changes in business and economic conditions, including the global financial and capital markets; significant increases or decreases in gold prices; changes in interest and currency exchange rates including the LIBOR rate; timing and amount of production; unanticipated changes in grade of ore; unanticipated recovery or production problems; changes in operating costs; operational problems at our mining properties; metallurgy, processing, access, availability of materials, equipment, supplies and water; determination of reserves; costs and timing of development of new reserves; results of current and future exploration and development activities; results of current and future exploration activities; results of future feasibility studies; joint venture relationships; political or economic instability, either globally or in the countries in which we operate; local and community impacts and issues; timing of receipt of government approvals; accidents and labor disputes; environmental costs and risks; competitive factors, including competition for property acquisitions; availability of external financing at reasonable rates or at all; and the factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2009 under the heading "Risk Factors." Many of these factors are beyond our ability to control and predict. These factors are not intended to represent a complete list of the general or specific factors that may affect us. Except as required by securities law, we disclaim any obligation to update forward looking statements, whether as a result of new information, future events or otherwise.

ACCOUNTING PRINCIPLES, REPORTING CURRENCY AND OTHER INFORMATION

Brigus Gold Corp. prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and publishes its financial statements in United States dollars. This Quarterly Report on Form 10-Q should be read in conjunction with our condensed consolidated financial statements and related notes included in this quarterly report, as well as our annual financial statements for the fiscal year ended December 31, 2009 included in our Annual Report on Form 10-K.

3

Unless stated otherwise, all dollar amounts are expressed in United States dollars.

References to “we,” “our,” “us,” the “Company” or “Brigus” mean Brigus Gold Corp. (formerly Apollo Gold Corporation) and its consolidated subsidiaries, or to any one or more of them, as the context requires.

On June 24, 2010, the Company’s shareholders authorized the Company to effect a 1-for-4 reverse split of the number of shares of the Company's common stock (the “Reverse Split”). Immediately prior to the Reverse Split, 517,565,717 shares of common stock were outstanding. Upon execution of the Reverse Split, such shares were consolidated into 129,391,429 shares of common stock. This Quarterly Report on Form 10-Q and the accompanying financial statements have been retroactively adjusted to reflect the Reverse Split.

NON-GAAP FINANCIAL INFORMATION

In this Quarterly Report on Form 10-Q, Brigus uses the terms “cash operating costs,” “total cash costs” and “total production costs,” each of which are considered non-GAAP financial measures as defined in the United States Securities and Exchange Commission (“SEC”) Regulation S-K Item 10 and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP. These terms are used by management to assess performance of individual operations and to compare Brigus’s performance to other gold producers.

The term “cash operating costs” is used on a per ounce of gold basis. Cash operating costs per ounce is equivalent to direct operating cost, as found on the Consolidated Statements of Operations, less production royalty expenses and mining taxes but includes by-product credits for payable silver.

The term “total cash costs” is equivalent to cash operating costs plus production royalties and mining taxes.

The term “total production costs” is equivalent to total cash costs plus non-cash costs including depreciation and amortization and accretion on accrued site closure costs.

This information differs from measures of performance determined in accordance with generally accepted accounting principles (“GAAP”) in Canada and the United States and should not be considered in isolation or a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and may not be comparable to similarly titled measures of other companies. See Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations, for a reconciliation of these non-GAAP measures to our Consolidated Statements of Operations.

REPORTING REQUIREMENTS FOR DISCLOSURE OF MINERAL PROPERTIES

We report our reserves on two separate standards to meet the requirements for reporting in both Canada and the United States. Accordingly, certain information in this Quarterly Report on Form 10-Q concerning our properties and operations has been prepared in accordance with Canadian standards under applicable Canadian securities laws, which differ from the requirements of U.S. securities laws. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” used in this Quarterly Report on Form 10-Q are Canadian mining terms as defined in accordance with NI 43-101 under guidelines set out in the Definition Standards for Mineral Resources and Mineral Reserves adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council on December 11, 2005 (“CIM Standards”).

4

While the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are recognized and required by Canadian securities regulations, they are not recognized by the SEC. Pursuant to United States standards as promulgated by the SEC under Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. “Inferred Mineral Resource” has a great amount of uncertainty as to its existence, as to whether it can be mined and as to its economic and legal feasibility, except in rare cases. It cannot be assumed that all or any part of an “Inferred Mineral Resource” will ever be upgraded to a higher category. Under Canadian securities regulations, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies, except in rare cases. Readers are cautioned not to assume that all or any part of a “Measured Mineral Resource” or “Indicated Mineral Resource” will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC generally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. As such, certain information contained in this Quarterly Report on Form 10-Q concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by United States companies subject to reporting and disclosure requirements of the SEC.

In addition, the definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” under CIM Standards differ in certain respects from the U.S. standards. Our Proven and Probable Mineral Reserves are estimated in accordance with definitions set forth in NI 43-101 and on a basis consistent with the definition of Proven and Probable Mineral Reserves set forth in SEC Industry Guide 7. Because we report our Mineral Reserves to both NI 43-101 and SEC Industry Guide 7 standards, it is possible for our reserve estimates to vary between the two. Where such a variance occurs it will arise from the differing requirements for reporting Mineral Reserves set forth by the different reporting authorities to which we are subject.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements, accompanying notes and other relevant information included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission on March 17, 2010.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars)
(Unaudited)

	June 30, 2010	December 31, 2009
ASSETS		
CURRENT		
Cash	$ 4,728	$ –
Restricted cash (Note 5)	17,524	6,731
Accounts receivable and other	1,453	1,690
Prepaids	1,317	394
Derivative instruments (Note 6)	–	1,961
Inventories (Note 7)	5,283	8,189
Total current assets	30,305	18,965
Derivative instruments (Note 6)	–	4,844
Inventories, long-term (Note 7)	4,538	–
Long-term investments (Note 8)	4,476	1,036
Property, plant and equipment	174,783	116,171
Investment in Montana Tunnels joint venture (Note 14)	–	3,440
Restricted certificates of deposit	14,650	14,805
TOTAL ASSETS	$ 228,752	$ 159,261
LIABILITIES		
CURRENT		
Bank indebtedness	$ –	$ 328
Accounts payable	7,902	6,789
Accrued liabilities	3,833	2,129
Derivative instruments (Note 6)	19,370	12,571
Current portion of long-term debt (Note 9)	27,152	34,860
Total current liabilities	58,257	56,677
Accrued long-term liabilities	1,877	483
Derivative instruments (Note 6)	39,988	31,654
Long-term debt (Note 9)	32,018	48,909
Equity-linked financial instruments (Note10)	21,002	27,318
Accrued site closure costs	5,620	5,345
Future income tax liabilities	9,946	1,304
TOTAL LIABILITIES	168,708	171,690
Commitments and Contingencies (Note 18)		
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Common stock – Nil par value, unlimited shares authorized, 129,391,429 and 66,050,232 shares issued and outstanding, respectively	281,002	202,769
Additional paid-in capital	53,035	45,555
Accumulated deficit	(273,993)	(260,753)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	60,044	(12,429)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	$ 228,752	$ 159,261

Subsequent Events (Note 21)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(U.S. dollars and shares in thousands, except per share amounts)
(Unaudited)

	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Revenue from sale of minerals	$ 22,163	$ 4,709	$ 39,789	$ 4,709
Operating expenses				
Direct operating costs	8,274	2,034	18,258	2,034
Depreciation and amortization	4,029	1,023	7,490	1,033
Accretion expense – accrued site closure costs	177	69	352	69
General and administrative expenses	3,681	1,096	5,630	2,028
Exploration and business development	1,426	302	1,697	529
	17,587	4,524	33,427	5,693
Operating income (loss)	4,576	185	6,362	(984)
Other income (expenses)				
Interest income	59	38	113	78
Interest expense (Note 12)	(2,679)	(1,319)	(6,021)	(2,149)
Debt transaction costs	–	(10)	–	(1,249)
Loss on modification of debentures (Note 9(b))	–	–	(513)	(1,969)
Linear acquisition costs	(2,636)	–	(3,213)	–
Fair value change on equity-linked financial instruments (Note 10)	1,881	(8,829)	11,894	(13,582)
Realized gain (loss) on derivative instruments	3,582	(492)	239	(124)
Unrealized (loss) gain on derivative instruments	(23,919)	3,376	(21,938)	(15,042)
Foreign exchange (loss) gain and other	(553)	184	(331)	281
	(24,265)	(7,052)	(19,770)	(33,756)
Loss before income taxes and equity loss in Montana Tunnels joint venture	(19,689)	(6,867)	(13,408)	(34,740)
Income taxes (Note 13)	–	–	869	73
Equity loss in Montana Tunnels joint venture (Note 14)	–	(333)	(701)	(957)
Net loss and comprehensive loss for the period	$ (19,689)	$ (7,200)	$ (13,240)	$ (35,624)
Basic and diluted net loss per share (Note 15)	$ (0.23)	$ (0.12)	$ (0.17)	$ (0.62)
Basic and diluted weighted-average number of shares outstanding (Note 15)	86,988	58,540	78,087	57,613

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(U.S. dollars and shares in thousands)
(Unaudited)

	Number of Shares	Share Capital	Debenture Note Warrants	Additional Paid-In Capital	Deficit	Total
Balance, December 31, 2008	55,715	$ 189,451	$ 2,234	$ 48,241	$ (197,572)	$ 42,354
Cumulative effect of change in accounting principle	–	–	–	(6,939)	(1,531)	(8,470)
Shares issued for services	1,293	1,553	–	–	–	1,553
Shares issued in settlement of interest	611	772	–	–	–	772
Warrants issued for services	–	–	–	961	–	961
Warrants exercised	1,903	1,416	–	–	–	1,416
Shares issued for cash and related compensation warrants	6,527	9,577	–	294	–	9,871
Expiration of note warrants	–	–	(2,234)	2,234	–	–
Stock-based compensation	–	–	–	764	–	764
Net loss and comprehensive loss	–	–	–	–	(61,650)	(61,650)
Balance, December 31, 2009	66,050	202,769	–	45,555	(260,753)	(12,429)
Shares issued for services (Note 11(a)(i and iii))	673	1,039	–	–	–	1,039
Warrants issued for services (Notes 9(b) and 11(a)(iii))	–	–	–	149	–	149
Warrants exercised (Note 11(a)(ii))	2,145	2,145	–	–	–	2,145
Shares issued for cash (Notes 4 and 11(a)(iv))	15,625	24,497	–	–	–	24,497
Shares cancelled (Notes 4 and 11(a)(iv))	(15,625)	(24,497)	–	5,121	–	(19,376)
Shares and options issued for acquisition of Linear (Notes 4 and 11(a)(v))	60,523	75,049	–	1,844	–	76,893
Stock-based compensation	–	–	–	366	–	366
Net loss and comprehensive loss	–	–	–	–	(13,240)	(13,240)
Balance, June 30, 2010	129,391	$ 281,002	$ –	$ 53,035	$ (273,993)	$ 60,044

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)
(Unaudited)

	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Operating activities				
Net loss for the period	$ (19,689)	$ (7,200)	$ (13,240)	$ (35,624)
Items not affecting cash:				
Depreciation and amortization	4,029	1,023	7,490	1,033
Amortization of deferred financing costs	41	15	79	15
Stock-based compensation	128	174	366	356
Shares and warrants issued for services and payment of interest	–	–	599	4,020
Accretion expense – accrued site closure costs	177	69	352	69
Accretion expense – amortization of debt discount	1,226	469	2,809	469
Accretion expense – convertible debentures	193	203	408	1,005
Interest paid on convertible debentures	–	–	(772)	(567)
Unrealized loss (gain) on derivative instruments	23,919	(3,376)	21,938	15,042
Net change in value of equity-linked financial instruments	(1,881)	8,829	(11,894)	13,582
Foreign exchange (gain) loss and other	446	(600)	601	(663)
Income taxes	–	–	(869)	(73)
Equity investment in Montana Tunnels joint venture	–	(1,581)	589	(957)
Net change in non-cash operating working capital items (Note 16(a))	2,788	(3,222)	1,542	(2,635)
Earnings distribution from Montana Tunnels joint venture	–	2,716	–	3,196
Net provided by (used in) operating activities	11,377	(2,481)	9,998	(1,732)
Investing activities				
Property, plant and equipment expenditures	(4,033)	(18,580)	(5,095)	(40,446)
Net cash acquired in the Linear acquisition via the issuance of common shares, warrants and options	15,426	–	15,426	–
Restricted cash and certificates of deposit, including bank indebtedness	171	(10,034)	(11,121)	(1,864)
Net cash provided by (used in) investing activities	11,564	(28,614)	(790)	(42,310)
Financing activities				
Proceeds on issuance of shares to Linear	–	–	24,497	–
Proceeds from exercise of warrants	–	352	2,145	851
Proceeds from debt	–	28,500	–	66,534
Repayments of debt	(19,573)	(1,561)	(30,546)	(22,498)
Net cash (used in) provided by financing activities	(19,573)	27,291	(3,904)	44,887
Effect of exchange rate changes on cash	(571)	95	(576)	91
Net increase (decrease) in cash	2,797	(3,709)	4,728	936
Cash, beginning of period	1,931	4,645	–	–

Cash, end of period	$	4,728	$	936	$	4,728	$	936
SUPPLEMENTAL CASH FLOW INFORMATION								
Interest paid	$	823	$	1,550	$	3,497	$	2,475
Income taxes paid	$	–	$	–	$	–	$	25

See Note 16 for additional supplemental cash flow information.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

1. BUSINESS COMBINATION WITH LINEAR GOLD CORP.

On March 9, 2010, Brigus Gold Corp. (formerly Apollo Gold Corporation) ("Brigus" or the "Company") and Linear Gold Corp. ("Linear") entered into a binding letter of intent (as amended on March 18, 2010, the "Letter of Intent") pursuant to which (i) the businesses of Brigus and Linear would be combined by way of a court-approved plan of arrangement (the "Arrangement") pursuant to the provisions of the Business Corporations Act (Alberta) ("ABCA") and (ii) Linear purchased 15,625,000 common shares of Brigus for gross proceeds of Cdn$25.0 million (the "Private Placement") on March 19, 2010. As part of the Arrangement, the Brigus common shares issued to Linear in this Private Placement were cancelled without any payment upon completion of the Arrangement.

On June 25, 2010, the Company completed the business combination of Brigus Gold Corp. and Linear . The Arrangement was structured as a court-approved plan of arrangement under the ABCA pursuant to which Brigus acquired all of the issued and outstanding Linear shares and Linear amalgamated with 1526753 Alberta ULC (the "Brigus Sub"). Under the terms of the Arrangement, former shareholders of Linear received, after giving effect to a 4 for 1 common share consolidation described in Note 4(a), 1.37 Brigus common shares for each common share of Linear, subject to adjustment for fractional shares. Outstanding options and warrants to acquire Linear shares have been converted into options and warrants to acquire Brigus common shares, adjusted in accordance with the same ratio. The Company issued 60,523,014 common shares, 11,191,677 warrants to purchase common shares and 3,448,746 options to purchase common shares in connection with the completion of the Arrangement.

The Arrangement has allowed the Company to reduce its debt related to the Black Fox project, and to provide capital to fund underground development at Black Fox and the exploration programs at the Grey Fox and Pike River properties. The Arrangement has also provided an increased number of properties to the Company, including the Goldfields project in northern Saskatchewan, Canada, the Ixhuatan property in southern Mexico, and the Ampliacion Pueblo Viejo, Loma El Mate, and Loma Hueca properties in the Dominican Republic.

The Arrangement is accounted for using the acquisition method with Brigus as the acquirer of Linear. The Company is in the process of completing a full and detailed valuation of the fair value of the net assets of Linear acquired with the assistance of an independent third party.

After adjusting Linear's Equity investment in Brigus to its market value as of June 24, 2010, Brigus has estimated the fair value of Linear's non-mineral interest net assets to be equal to their current carrying values. The remainder of the purchase price has been assigned as an increase to the estimated fair value of the acquired mineral interests, including a deferred income tax adjustment of $9.5 million.

The allocation of the purchase price is based upon management's preliminary estimates and certain assumptions with respect to the fair value increment associated with the assets acquired and the liabilities assumed. The actual fair values of the assets and liabilities are to be determined as of the date of acquisition when further analysis is completed. Consequently, the actual allocation of the purchase price may result in different adjustments than those shown below.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

The preliminary purchase price allocation is subject to change and is summarized as follows:

Purchase of Linear shares (60,523,014 Brigus common shares)	$	75,049
Fair value of options and warrants issued		7,422
Purchase consideration	$	82,471

The purchase price was allocated as follows:

Net working capital acquired (including cash of $15.4 million)	$	14,162
Equity investment in Brigus		19,375
Property, plant and equipment (including mineral exploration properties of $56.1 million)		58,416
Other assets		35
Future income tax liability		(9,517)
Net identifiable assets	$	82,471

Linear's results of operations from the acquisition date, June 24, 2010, have been included in Brigus' consolidated statements of operations for the three and six months ended June 30, 2010.

The following table presents supplemental pro forma financial information as if the Arrangement had occurred on January 1, 2010 for the three and six months ended June 30, 2010 and January 1, 2009 for the three and six months ended June 30, 2009. As such, all periods presented include charges related to the Arrangement. The pro forma consolidated results are not necessarily indicative of the results that would have occurred in the periods presented below had the Company completed the Arrangement on January 1, 2010 or January 1, 2009. In addition, the pro forma financial results do not purport to project the future results of the combined Company nor do they reflect cost savings relating to the integration of Brigus and Linear.

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Revenue from the sale of gold	$ 22,163	$ 4,709	$ 39,789	$ 4,709
Loss from continuing operations attributable to Brigus	(15,922)	(7,116)	(10,929)	(34,951)
Net loss attributable to Brigus	(15,922)	(7,449)	(11,630)	(35,908)
Basic and diluted net loss per share attributable to Brigus	(0.18)	(0.13)	(0.15)	(0.62)

These amounts have been calculated after applying the Company's accounting policies and adjusting the results of Brigus to reflect the removal of acquisition costs related to the Arrangement including employee severance charges had they been applied on January 1, 2010 and 2009, as applicable.

2. CONTINUING OPERATIONS

These interim condensed consolidated financial statements are prepared on the basis of a going concern which assumes that Brigus Gold Corp. will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. To date the Company has funded its operations through issuance of debt and equity securities, and cash generated by the Black Fox mine. On June 24, 2010, the Company acquired Linear (as more fully described in Note 1) which included a working capital surplus of $14.2 million. The Company's ability to continue as a going concern is dependent on its ability to continue to generate cash flow from the Black Fox mine and to issue debt and/or equity securities.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

As of June 30, 2010, the Company had a working capital deficiency of $28.0 million and an accumulated deficit of $274.0 million. As at June 30, 2010, the Company held cash of $4.7 million, restricted cash of $17.5 million and had current debt of $27.2 million consisting of (1) the current portion of the Black Fox project financing facility (the "Project Facility") (Note 9(a)) of $16.6 million, (2) the outstanding principal and accrued interest due on the Series 2007-A convertible debentures of $4.6 million (Note 9(b)), and (3) $6.0 million for capital leases and other current debt. As a result, based on the Company's financial position as of June 30, 2010, there was substantial doubt that the Company would continue as a going concern.

On July 29, 2010, the Company completed a private placement of 10,000,000 flow-through common shares at Cdn$1.40 per share for aggregate gross proceeds of Cdn$14.0 million (Note 21(a)). In addition, on August 3, 2010, the Company and the two banks (the "Banks") associated with the Project Facility agreed to amend, subject to a number of conditions, the Project Facility by, among other things, replacing the Project Facility repayment schedule with a revised interim repayment schedule as more fully described in Note 21(b), which includes a deferral of the $10.0 million payment originally scheduled for September 30, 2010.

If the Company is unable to generate sufficient cash flow from Black Fox, satisfy the conditions to the Banks' revised interim repayment schedule, and/or secure additional financing, it may be unable to continue as a going concern and material adjustments would be required to the carrying value of assets and liabilities and balance sheet classifications.

3. NATURE OF OPERATIONS

Brigus is engaged in gold mining including extraction, processing, refining and the production of other by-product metals, as well as related activities including the exploration and development of potential mining properties and acquisition of mining claims. Brigus owns Black Fox, an open pit and underground mine development and mill located near Matheson in the Province of Ontario, Canada ("Black Fox"). Mining of ores at Black Fox began in March 2009, milling operations commenced in April 2009, and commercial production commenced in late May 2009. Exploration properties adjacent to the Black Fox mine include the Grey Fox and Pike River properties.

Brigus is also advancing the Goldfields Project located near Uranium City, Saskatchewan, Canada, which hosts the Box and Athona gold deposits. In Mexico, Brigus holds a 100 percent interest in the Ixhuatan Property located in the state of Chiapas, and the Huizopa Joint Venture, an 80 percent interest in an early stage, gold-silver exploration joint venture located in the Sierra Madres in the State of Chihuahua. In the Dominican Republic, Brigus and Everton Resources have a joint venture covering the Ampliacion Pueblo Viejo, Loma El Mate and Loma Hueca exploration projects.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

On June 24, 2010, the Company's shareholders authorized the Company to effect a 1-for-4 reverse split of the number of shares of the Company's common stock (the "Reverse Split"). Immediately prior to the Reverse Split, 517,565,717 shares of common stock were outstanding. Upon execution of the Reverse Split, such shares were consolidated into 129,391,429 shares of common stock. The accompanying financial statements have been retroactively adjusted to reflect the Reverse Split.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

These unaudited condensed consolidated interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and except as described in Note 20, conform in all material respects with accounting principles generally accepted in Canada ("Canadian GAAP"). The accounting policies followed in preparing these financial statements are those used by the Company as set out in the audited financial statements for the year ended December 31, 2009, except as disclosed in (b) below. Certain information and note disclosures normally included in consolidated financial statements prepared in accordance with Canadian GAAP have been omitted. These interim financial statements should be read together with the Company's audited financial statements for the year ended December 31, 2009.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year.

(b) Recently adopted accounting pronouncements

In June 2009, the ASC guidance for consolidation accounting was updated to require an entity to perform a qualitative analysis to determine whether the enterprise's variable interest gives it a controlling financial interest in a variable interest entity ("VIE"). This analysis identifies a primary beneficiary of a VIE as the entity that has both of the following characteristics: (i) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses or receive benefits from the entity that could potentially be significant to the VIE. The updated guidance also requires ongoing reassessments of the primary beneficiary of a VIE. The provisions of the updated guidance are effective for the Company's fiscal year beginning January 1, 2010. The provisions of the updated guidance were adopted January 1, 2010. The adoption had no impact on the Company's financial position, results of operations, or cash flows.

In January 2010, the ASC guidance for fair value measurements and disclosure was updated to require additional disclosures related to transfers in and out of level 1 and 2 fair value measurements and enhanced detail in the level 3 reconciliation. The guidance was amended to clarify the level of disaggregation required for assets and liabilities and the disclosures required for inputs and valuation techniques used to measure the fair value of assets and liabilities that fall in either level 2 or level 3. The updated guidance was effective for the Company's fiscal year beginning January 1, 2010, with the exception of the level 3 disaggregation which is effective for the Company's fiscal year beginning January 1, 2011. The adoption had no impact on the Company's financial position, results of operations, or cash flows. Refer to Note 17 for further details regarding the Company's assets and liabilities measured at fair value.

In December 2009, the ASC guidance for stock compensation was updated to address the classification of employee share-based awards with exercise prices denominated in the currency of a market in which the underlying security trades. The updated guidance provides that employee share-based awards with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trade should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, such awards would not be classified as liabilities if they otherwise qualify as equity. The provisions of the updated guidance have been early adopted by the Company effective April 1, 2010. Although, the adoption had no impact on the Company's financial position, results of operations, or cash flows on April 1, 2010, the guidance dictated that the 3,448,746 options issued to former Linear employees on June 24, 2010 be classified as equity upon issuance (Note 1).

13

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

5. RESTRICTED CASH

Restricted cash consists of:

	June 30, 2010	December 31, 2009
Restricted cash, current		
Project Facility (a)	$ 14,698	$ 2,108
Unexpended flow-through funds (b)	2,826	4,623
	$ 17,524	$ 6,731

(a) Project Facility

Project Facility restricted cash represents cash on deposit held in restricted accounts. The cash may be used to settle operational expenses at both Black Fox and the corporate offices, but requires approval from the Banks prior to use. The balance has been classified as a current asset as it will be utilized within approximately 90 days of the period end to settle such operational expenses.

(b) Proceeds from flow-through share offering

Notwithstanding whether there is a specific requirement to segregate the funds, for accounting purposes the funds received through the flow-through share offering completed on July 15, 2009 which are unexpended at the consolidated balance sheet dates are considered to be restricted and are not considered to be cash or cash equivalents.

6. DERIVATIVE INSTRUMENTS

Fair value of derivative instruments consists of:

	June 30, 2010			December 31, 2009		
	Cost Basis	Unrealized Gain (Loss)	Fair Value	Cost Basis	Unrealized Gain (Loss)	Fair Value
Assets						
Canadian dollar contracts	$ –	$ –	$ –	$ –	$ 6,805	$ 6,805
Current portion	–	–	–	–	(1,961)	(1,961)
Long-term portion	$ –	$ –	$ –	$ –	$ 4,844	$ 4,844
Liabilities						
Gold forward sales contracts	$ –	$ (59,358)	$ (59,358)	$ –	$ (44,225)	$ (44,225)
Less: Current portion	–	19,370	19,370	–	12,571	12,571
Long-term portion	$ –	$ (39,988)	$ (39,988)	$ –	$ (31,654)	$ (31,654)

On February 20, 2009, the Company entered into a $70.0 million Project Facility with two banks relating to Black Fox (Note 9(a)). As required by the terms of the Project Facility, the Company entered into a derivative program covering a portion of the Company's forecasted gold sales and forecasted Canadian dollar operating costs, with the Banks acting as counterparties.

The weighted average price of the forward gold sales program results in proceeds of $876 per ounce of gold. During the three and six months ended June 30, 2010, the Company realized a $4.6 million loss and an $8.4 million loss on the settlement of gold forward sales contracts covering 14,557 ounces of gold and 30,573 ounces of gold, respectively.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

Settlements of the remaining gold forward sales contracts as of June 30, 2010 are as follows (table not in thousands):

Year of Settlement	Gold Ounces	Average Contract Price Per Ounce
2010	27,293	$ 876
2011	54,704	$ 876
2012	73,458	$ 876
2013	14,523	$ 876
	169,978	

The weighted average exchange rate of the foreign exchange derivative program was Cdn$1.21 per $1. On April 23, 2010, the remaining amounts of the Canadian dollar foreign exchange contracts were unwound early for proceeds of $8.2 million. During the three and six months ended June 30, 2010, the Company realized gains of $8.2 million and $8.6 million, respectively, for the settlement of the Canadian dollar foreign exchange contracts. During the three and six months ended June 30, 2010, the Company recorded unrealized losses of $8.2 million and $6.8 million, respectively, for the change in fair value of the Canadian dollar foreign exchange contracts.

The Company did not apply hedge accounting to its derivative transactions. As a result, the Company accounts for these derivative instruments as investments and records the changes in unrealized gains and losses in the consolidated statement of operations each period. The fair value of these derivatives is recorded as an asset or liability at each balance sheet date as follows:

	Asset Derivatives				Liability Derivatives			
	June 30, 2010		December 31, 2009		June 30, 2010		December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments under ASC 815-20								
Gold forward contracts	n/a	$ –	n/a	$ –	Derivative instruments	$ 59,358	Derivative instruments	$ 44,225
Canadian currency forward contracts	Derivative instruments	–	n/a	6,805	n/a	–	n/a	–
Total derivatives		$ –		$ 6,805		$ 59,358		$ 44,225

The fair value of the gold forward contracts have been determined by examining third party bid and ask gold forward prices for gold contracts that mature on dates that match the Company's gold forward contract dates. For the gold forward contract dates for which there was no corresponding third party bid and ask gold forward prices available, the

Company estimated the forward price using linear interpolation. The Company also obtained the risk free rate for each of the gold forward contract maturity dates and used linear interpolation to calculate the risk free rate for the gold forward contract maturity dates that were not available. As the gold forward contracts are in a loss position, the Company did not include counterparty risk in its valuation. The Company then calculated the difference between the forward mid price (calculated as the average of bid and ask price) and the contract price determined in the Company’s outstanding forward contracts to determine the net cash flow and thus the value of the contracts.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

The Company's valuation of its gold forward contracts are considered Level 2 valuations, whereby the valuations utilize quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

7. INVENTORIES

Inventories consist of:

	June 30, 2010	December 31, 2009
Current portion of inventory		
Doré inventory	$ 1,218	$ 3,186
In-circuit inventory	1,304	1,561
Stockpiled ore inventory	1,557	2,633
Materials and supplies	1,204	809
	5,283	8,189
Long-term – stockpiled ore inventory	4,538	–
	$ 9,821	$ 8,189

8. LONG-TERM INVESTMENTS

Long-term investments consist of:

	June 30, 2010	December 31, 2009
Auction rate securities (a)	$ 1,036	$ 1,036
Notes receivable (b)	3,440	–
	$ 4,476	$ 1,036

(a) Auction Rate Securities

The Company acquired auction rate securities ("ARS") in 2007, which are recorded in long-term investments, with a face value of $1.5 million. The Company has recorded an other than temporary impairment on its ARS, within foreign exchange loss and other in the consolidated statement of operations, of nil and $0.05 million for the three and six months ended June 30, 2010 and 2009, respectively, and as such, no amounts have been recorded in other comprehensive income. The adjusted cost basis and fair value of the ARS at June 30, 2010 and December 31, 2009 was $1.0 million. The ARS are pledged as collateral for a $0.9 million margin loan.

The Company's ARS investments are valued using a probability-weighted discounted cash flow valuation. The Company's valuation of the ARS investments considers possible cash flows and probabilities forecasted under certain potential scenarios. Each scenario's cash flow is multiplied by the probability of that scenario occurring. The major inputs included in the valuation are: (i) maximum contractual ARS interest rate, (ii) probability of passing auction/early redemption at each auction, (iii) probability of failing auction at each auction, (iv) probability of default at each auction, (v) severity of default, and (vi) discount rate. Changes in these assumptions to reasonably possible alternative assumptions would not significantly affect the Company's results.

There were no changes in the carrying value of the Company's ARS from December 31, 2009 to June 30, 2010.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

(b) Notes Receivable

On February 1, 2010, the Company sold its 100% interest in MTMI, which held the Company's remaining 50% interest in the Montana Tunnels joint venture to Elkhorn (Note 14), for consideration consisting of certain promissory notes held by Elkhorn and certain investors in Elkhorn or its affiliates with an aggregate outstanding balance of approximately $9.5 million (the "Elkhorn Notes"). The Elkhorn Notes are secured by real property in Boulder County, Colorado. The Elkhorn Notes are due on February 1, 2011. The Elkhorn Notes bear interest at a rate of 8.0% per annum. Also, on March 12, 2010, the Company entered into a purchase agreement with a certain party (the "Noteholder") pursuant to which the Company agreed to issue 398,183 common shares for consideration of a promissory note (the "Additional Notes") held by the Noteholder with an aggregate balance of $0.7 million. Principal and interest on the promissory note are due March 12, 2011 and the promissory note bears interest of 8%.

Based on a valuation performed on the property securing the Elkhorn Notes and the Additional Notes using Level 3 inputs the notes were recorded at a value of $3.4 million and classified as a long-term investment, as the Company does not anticipate collecting on the Elkhorn Notes within the next twelve months. Level 3 inputs are those inputs used in a valuation technique that are both significant to the fair value measurement and unobservable, i.e. supported by little or no market activity. The valuation of the property included $1.7 million for the associated land, and $1.7 million for the replacement cost of the associated buildings. The land value was determined by examining sales of land in the near vicinity with similar characteristics, and making adjustments as appropriate. The replacement cost of the buildings was determined by estimating the cost to re-create the structures on the property, and then deducting for the physical depreciation of the standing buildings.

9. LONG-TERM DEBT

Long-term debt consists of the following:

	June 30, 2010	December 31, 2009
Black Fox Project Facility (a)	$ 37,122	$ 62,514
Convertible debentures (b)	4,560	4,926
Capital leases	15,932	15,320
Notes payable and other	1,556	1,009
Total debt	59,170	83,769
Less: current portion of long-term debt	(27,152)	(34,860)
Total long-term debt	$ 32,018	$ 48,909

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements
Six month period ended June 30, 2010
(Stated in U.S. dollars, unless indicated otherwise; tabular amounts in thousands except share and per share data)
(Unaudited)

As of June 30, 2010, long-term debt is repayable as follows:

	Black Fox Project Facility	Convertible Debentures	Capital leases	Notes Payable and other	Total
2010	$ 15,000	$ 4,676	$ 2,663	$ 1,556	$ 23,895
2011	10,200	–	5,377	–	15,577
2012	16,598	–	4,371	–	20,969
2013	–	–	3,679	–	3,679
2014	–	–	1,883	–	1,883
Total payments due under long-term debt	41,798	4,676	17,973	1,556	66,003
Less: imputed interest	–	(116)	(2,041)	–	(2,157)
Less: unamortized debt discount	(4,676)	–	–	–	(4,676)
Total debt	37,122	4,560	15,932	1,556	59,170
Less: current portion of long-term debt	(16,635)	(4,560)	(4,401)	(1,556)	(27,152)
Total long-term debt	$ 20,487	$ –	$ 11,531	$ –	$ 32,018

(a) Financing Agreement

On February 20, 2009, the Company entered into a $70 million Project Facility with the Banks relating to Black Fox. As of December 31, 2009, the Company had borrowed the full $70 million available under the Project Facility.

The terms of the Project Facility include: (i) interest on the outstanding principal amount accruing at a rate equal to the London interbank offered rate (“LIBOR”) plus 7% per annum and payable in monthly installments commencing March 31, 2009 (interest is currently payable monthly but may be monthly, quarterly or such other period as may be agreed to by the Banks and the Company); (ii) scheduled repayment of the principal amount in unequal quarterly amounts commencing September 30, 2009 (see discussion below regarding rescheduling of quarterly payments) with the final repayment no later than March 31, 2013; (iii) an arrangement fee of $3.5 million, and 8,709,028 warrants (the “Banks’ Compensation Warrants”) to purchase the Company’s common shares at an exercise price of Cdn$1.008 expiring February 20, 2013. The average monthly LIBOR rate charged to the Company during the three and six months ended June 30, 2010 was 0.3%.

Borrowings under the Project Facility are secured by substantially all of the Company’s assets, including the Black Fox Project, and the stock of its subsidiaries. The Project Facility contains various financial and operational covenants that impose limitations on the Company which include, among other requirements, the following: maintenance of certain financial coverage ratios and minimum project reserves, satisfaction of a minimum tangible net worth test, and the operation of the Black Fox project in compliance with an agreed cash flow budgeting and operational model. As at June 30, 2010, the Company was, after giving effect to all consents and waiver letters given by the Banks, in compliance with the various financial and operational covenants of the Project Facility. See Note 21(b) for the subsequent rescheduling of the remaining debt repayments.

The Company recorded a $10.9 million discount on the Project Facility carrying value, comprised of the $3.5 million arrangement fee and the $7.4 million fair value assigned to the Banks' Compensation Warrants, which discount is being accreted over the life of the loan using the effective interest method and charged to interest expense. Additionally, at inception, the Company recorded $0.6 million of debt transactions costs that are treated similarly to the discount on the Project Facility. The accreted interest expense for the three and six months ended June 30, 2010 was $1.3 million and $2.9 million, respectively.

BRIGUS GOLD CORP. (formerly Apollo Gold Corporation)
Notes to the Condensed Consolidated Financial Statements