

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

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

FORM 10-Q

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  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

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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

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

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## 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;

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- 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.



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”).





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
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 4,728	\$ –
Restricted cash (Note 5)	17,524	6,731
Accounts receivable and other	1,453	1,690
Prepays	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
<b>TOTAL ASSETS</b>	<b>\$ 228,752</b>	<b>\$ 159,261</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
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 (Note 10)	21,002	27,318
Accrued site closure costs	5,620	5,345
Future income tax liabilities	9,946	1,304
<b>TOTAL LIABILITIES</b>	<b>168,708</b>	<b>171,690</b>
Commitments and Contingencies (Note 18)		
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
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)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>60,044</b>	<b>(12,429)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>\$ 228,752</b>	<b>\$ 159,261</b>

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		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Revenue from sale of minerals	\$ 22,163	\$ 4,709	\$ 39,789	\$ 4,709
<b>Operating expenses</b>				
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)
<b>Other income (expenses)</b>				
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
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