

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

VALGOLD RESOURCES LTD.  
(an exploration stage company)  
CONSOLIDATED FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED APRIL 30, 2009 and 2008  
(Unaudited – prepared by management)

The Company's independent auditor has not performed a review of these consolidated financial statements.

## VALGOLD RESOURCES LTD.

(an exploration stage company)

Consolidated Balance Sheets

As at April 30, 2009 and July 31, 2008

(Unaudited – prepared by management)

	April 30, 2009	July 31, 2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 25,279	\$ 236,485
Accounts receivable and prepaids	24,877	125,535
Marketable securities (Note 5)	11,141	--
	61,297	362,020
<b>Investments</b> (Note 5)	35,277	213,110
<b>Buildings and equipment</b> (Note 6)	57,346	104,374
<b>Mineral property interests</b> (see schedules) (Note 4)	8,094,865	11,181,332
	\$ 8,248,785	\$ 11,860,836
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,354,596	\$ 1,199,606
Due to related parties (Note 8)	972,994	351,308
	2,327,590	1,550,914
<b>Shareholders' equity</b>		
Share capital (Note 7 (b))	51,311,918	51,286,918
Warrants	1,585,026	2,101,899
Contributed surplus	2,097,322	1,563,547
Accumulated other comprehensive loss	(153,675)	(136,886)
Deficit	(48,919,396)	(44,505,556)
	5,921,195	10,309,922
	\$ 8,248,785	\$ 11,860,836

Going concern (Note 1)

Subsequent events (Notes 4 and 12)

Commitments (Note 4 (d))

See accompanying notes to consolidated financial statements.

Approved by the Directors

"Kenneth Yurichuk"

Kenneth Yurichuk  
Director

"Stephen J. Wilkinson"

Stephen J. Wilkinson  
Director

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## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Consolidated Statements of Operations and Deficit

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

	<b>Three months ended April 30,</b>		<b>Nine months ended April 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Expenses</b>				
Amortization	\$ 3,118	\$ 1,109	\$ 9,568	\$ 3,198
Foreign exchange	(8,081)	(8,563)	63,594	1,699
Interest and finance charges	9,845	--	39,192	--
Legal, accounting and audit	35,588	31,237	67,844	141,721
Management and consulting fees	9,374	13,750	42,374	57,750
Office and administration	16,534	91,386	194,618	238,112
Property investigations	--	(8,539)	--	(8,414)
Salaries and benefits	106,440	129,113	345,771	363,371
Shareholder communications	9,862	46,937	56,187	221,633
Stock-based compensation	--	44,361	13,970	189,562
Travel and conferences	--	43,146	--	76,414
Write-down of mineral property interests	3,445,528	--	3,468,193	--
Interest and other income	--	(42,374)	(525)	(66,618)
	3,628,208	341,563	4,300,786	1,218,428
Realized loss (gain) on investments	83,934	--	113,054	(132,680)
Loss before income taxes	(3,712,142)	(341,563)	(4,413,840)	(1,085,748)
Future income tax recovery	--	11,841	--	45,914
Loss for the period	(3,712,142)	(329,722)	(4,413,840)	(1,039,834)
Deficit, beginning of period	(45,207,254)	(29,638,149)	(44,505,556)	(28,928,037)
Deficit, end of period	\$(48,919,396)	\$(29,967,871)	\$(48,919,396)	\$(29,967,871)
<b>Loss per share, basic</b>	\$ (0.04)	\$ (0.00)	\$ (0.05)	\$ (0.01)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	89,874,836	82,081,312	89,850,111	74,237,463

Statement of Comprehensive Income  
(Unaudited – prepared by management)

	<b>Three months ended April 30,</b>		<b>Nine months ended April 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Loss for the period before comprehensive loss</b>	\$ (3,712,142)	\$ (329,722)	\$ (4,413,840)	\$ (1,039,834)
Change in unrealized loss on investments	(4,675)	(79,530)	(104,830)	(251,825)
Realized loss on investments	83,934	--	113,054	--
<b>Comprehensive loss</b>	\$ (3,632,883)	\$ (409,252)	\$ (4,405,616)	\$ (1,291,659)

See accompanying notes to consolidated financial statements.

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## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Consolidated Statements of Shareholders' Equity

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

	Common Shares Without Par Value		Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount					
Balance, July 31, 2007	59,496,280	\$ 42,816,992	\$ 1,872,913	\$ 1,264,150	\$ (28,928,037)	\$ --	\$ 17,026,018
Shares issued for mineral property interests and other							
Hunter Mine	55,000	23,100	--	--	--	--	23,100
Venezuela properties option payment	15,014,443	5,330,127	--	--	--	--	5,330,127
Guyana properties option payments	200,000	58,000	--	--	--	--	58,000
Finders' fees related to Venezuela option payment	890,073	315,976	--	--	--	--	315,976
Shares issued for cash							
Stock options exercised	450,000	264,330	--	(151,827)	--	--	112,503
Warrants exercised	550,000	250,656	(30,656)	--	--	--	220,000
Warrants expired, unexercised	--	--	(120,000)	120,000	--	--	--
Agents' warrants exercised	54,040	19,160	(7,001)	--	--	--	12,159
Private placements, less share issue costs	12,915,000	2,208,577	386,643	--	--	--	2,595,220
Stock-based compensation	--	--	--	331,224	--	--	331,224
Transition adjustment to opening balance	--	--	--	--	--	270,273	270,273
Change in investments for the year	--	--	--	--	--	(407,159)	(407,159)
Loss for the year	--	--	--	--	(15,577,519)	--	(15,577,519)
Balance, July 31, 2008	89,624,836	51,286,918	2,101,899	1,563,547	(44,505,556)	(136,886)	10,309,922
Shares issued for mineral property interests and other							
Tower Mountain annual pre-production royalty paid in shares	250,000	25,000	--	--	--	--	25,000
Stock-based compensation	--	--	--	16,902	--	--	16,902
Change in investments for the period	--	--	--	--	--	(16,789)	(16,789)
Warrants expired, unexercised	--	--	(516,873)	516,873	--	--	--
Loss for the period	--	--	--	--	(4,413,840)	--	(4,413,840)
Balance, April 30, 2009	89,874,836	\$ 51,311,918	\$ 1,585,026	\$ 2,097,322	\$ (48,919,396)	\$ (153,675)	\$ 5,921,195

See accompanying notes to consolidated financial statements.

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## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Consolidated Statements of Cash Flows

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Cash provided by (used for):</b>				
<b>Operations</b>				
Loss for the period	\$(3,712,142)	\$ (329,722)	\$(4,413,840)	\$(1,039,834)
Items not involving cash				
Amortization	3,118	1,109	9,568	3,198
Stock-based compensation	--	44,361	13,970	189,562
Write down of mineral property interests	3,445,528	--	3,468,193	--
Loss (gain) on sale of marketable securities	83,934	--	113,054	(132,680)
Securities received	--	(41,000)	--	(41,000)
Income tax recovery	--	(11,841)	--	(45,914)
Changes in non-cash working capital				
Accounts receivable and prepaids	8,982	143,283	100,658	(15,387)
Due to/from related parties	112,736	273,640	597,686	261,181
Accounts payable and accrued liabilities	19,941	21,855	11,050	5,857
	(37,903)	101,685	(99,661)	(815,017)
<b>Investing activities</b>				
Mineral property interests				
Acquisition costs	(730)	(2,897)	(2,232)	(1,611,253)
Exploration and development costs	(1,891)	(757,276)	(170,162)	(3,173,768)
Equipment	--	(21,581)	--	(58,696)
(Purchase)/sale of temporary investments	--	--	--	2,074,969
Sale of marketable securities	36,849	--	36,849	175,838
	34,228	(781,754)	(135,545)	(2,592,910)
<b>Financing activities</b>				
Common shares and warrants issued for cash	--	110,320	--	2,230,980
Share subscriptions received	--	50,000	--	50,000
Loans received from related parties	24,000	--	24,000	--
	24,000	160,320	24,000	2,280,980
<b>Decrease in cash and cash equivalents during the period</b>	<b>20,325</b>	<b>(519,749)</b>	<b>(211,206)</b>	<b>(1,126,947)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>4,954</b>	<b>646,089</b>	<b>236,485</b>	<b>1,253,287</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 25,279</b>	<b>\$ 126,340</b>	<b>\$ 25,279</b>	<b>\$ 126,340</b>

Supplementary cash flow information (Note 9)

See accompanying notes to consolidated financial statements

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

**VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**1. Nature of operations and going concern**

ValGold Resources Ltd. (“the Company”) is incorporated under the British Columbia Business Corporations Act. The Company is presently engaged in the business of exploration and development of mineral properties in Canada and Venezuela, and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable.

The accompanying consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern. Several adverse conditions as set out below cast significant doubt on the validity of this assumption. At April 30, 2009, the Company has no source of operating cash flow and an accumulated deficit of \$48,919,396 (July 31, 2008 - \$44,505,556). At April 30, 2009, the Company has a working capital deficiency of \$2,266,293 (July 31, 2008 - \$1,188,894). Operations for the nine months ended April 30, 2009, have been funded primarily from an increase in advances from related parties, sales of common shares and from cash and cash equivalents on hand at July 31, 2008. (See Note 12 - Subsequent event).

The Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. The Company has entered into an option agreement on its Tower Mountain property (Note 4 (c)), but the optionor has not been able to obtain financing. The Company is looking at other alternatives with respect to this property. The current financial equity market conditions, the challenging funding environment and the low price of the Company's common shares make it difficult to raise funds by private placements of shares. The junior resource industry has been severely impacted by the world economic situation, as it is considered to be a high-risk investment. There is no assurance that the Company will be successful with any financing ventures. It is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests. While the Company is expending its best efforts to achieve its plans by examining various financing alternatives including reorganizations, mergers, sales of assets, and settlement of debts by share issuances, or other form of equity financing, there is no assurance that any such activity will generate funds that will be available for operations.

The interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

The amounts shown as mineral properties and related deferred costs represent costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests. The Company's mineral property interests at April 30, 2009, are in good standing.

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**VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**2. Basis of presentation:**

The accompanying financial statements for the interim periods ended April 30, 2009 and 2008, are prepared on the basis of accounting principles generally accepted in Canada and are unaudited, but in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for fair presentation of the financial position, operations and changes in financial results for the interim periods presented. The financial statements for the interim periods are not necessarily indicative of the results to be expected for the full year. These interim consolidated financial statements do not contain all of the information required for annual financial statements and should be read in conjunction with the most recent annual audited consolidated financial statements for the year ended July 31, 2008.

**3. Accounting standards issued but not yet effective**

*(a) Goodwill and intangible assets*

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section is effective for the Company on August 1, 2009. The Company has no goodwill or intangible assets as of April 30, 2009.

*(b) Credit risk and the fair value of financial assets and financial liabilities*

On January 20, 2009, the Emerging Issues Committee (EIC) of the Canadian Accounting Standards Board (AcSB) issued EIC Abstract 173, Credit Risk and Fair Value of Financial Assets and Financial Liabilities ("EIC 173"), which establishes that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC 173 should be applied retrospectively without restatement of prior years to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. This guidance was adopted by the Company and did not have an impact on the Company's interim consolidated financial statements.

*(c) Consolidated financial statements and non-controlling interests*

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, and Handbook Section 1602, Non-Controlling Interest, which together replace Section 1600, Section 1600, Consolidated Financial Statements. These two sections are equivalent to the corresponding provisions of International Accounting Standard 27, Consolidated and Separate Financial Statements (January 2008). Section 1602 applies to the accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statement. The new sections require that, for each business combination, the acquirer measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The new sections also require non-controlling interests to be presented as a separate component of shareholders' equity.

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**VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**3. Accounting standards issued but not yet effective (continued)**

Under Section 1602, non-controlling interest income is not deducted in arriving at consolidated net income or other comprehensive income. Rather, net income and each component of other comprehensive income are allocated to the controlling and non-controlling interest based on relative ownership interests. These Sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011, and should be adopted concurrently with Section 1582. This guidance will be adopted by the Company and is not expected to have an impact on the Company's interim consolidated financial statements.

*(d) Business combinations*

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces Section 1581, Business Combinations, and provides the equivalent to IFRS 3R, Business Combinations (January 2008). The new section expands the definition of a business subject to an acquisition and establishes significant new guidance on the measurement of consideration given, and the recognition and measurement of assets acquired and liabilities assumed in a business combination.

The new section requires that all business acquisitions be measured at the full fair value of the acquired entity at the acquisition date even if the business combination is achieved in stages, or if less than 100% of the equity interest in the acquiree is owned at the acquisition date.

The measurement of equity consideration given in a business combination will no longer be based on the average of the fair value of the shares a few days before and after the day the terms and conditions have been agreed to and the acquisition announced, but rather at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as a liability will be recognized in earnings and not as an adjustment to the purchase price. Restructuring and other direct costs of a business combination are no longer considered part of the acquisition accounting. Instead, such costs will be expensed as incurred, unless they constitute the costs associated with issuing debt or equity securities.

The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. This new section will only have an impact on the Company's consolidated financial statements for future acquisitions made in periods subsequent to the date of adoption.

*(e) International Financial Reporting Standards ("IFRS")*

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that fiscal 2011 is the changeover date for non-calendar year end publicly accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for fiscal 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### **3. Accounting standards issued but not yet effective (continued)**

#### **(i) International Financial Reporting standards (“IFRS”)**

In 2006, the Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011, will require the restatement of comparative amounts reported by the Company for the year ending July 31, 2011. While the Company has begun assessing the implications of adoption of IFRS for fiscal 2012, the financial reporting impact of the transition to IFRS has not been estimated at this time.

### **4. Mineral property interests**

Accumulated costs in respect of the Company's mineral property interests owned, leased and under option consist of the following:

	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>April 30, 2009 Total Costs</b>
Garrison Project (a)	\$ 121,113	\$ 3,693,358	\$ 3,814,471
Manitoba Properties	--	2	2
Tower Mountain (b)	289,211	2,668,623	2,957,834
Venezuela Properties (c)	1,322,558	--	1,322,558
	<b>\$ 1,732,882</b>	<b>\$ 6,361,983</b>	<b>\$ 8,094,865</b>

	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>July 31, 2008 Total Costs</b>
Garrison Project (a)	\$ 119,384	\$ 3,685,206	\$ 3,804,590
Manitoba Properties	--	2	2
Tower Mountain (b)	263,708	2,665,420	2,929,128
Venezuela Properties (c)	1,322,558	3,125,054	4,447,612
	<b>\$ 1,705,650</b>	<b>\$ 9,475,682</b>	<b>\$ 11,181,332</b>

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## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### **4. Mineral property interests (continued)**

#### **(a) Garrison Project, Ontario**

In June 2005, the Company purchased 100% interest in 35 claims located in Garrison Township, Kirkland Lake District, Larder Lake Mining Division in northern Ontario for a one-time cash payment of \$110,000.

In the nine months ended April 30, 2009, the Company entered into a Letter of Intent (“LOI”) with Northern Gold Mining Inc. (“Northern Gold”) on the Garrison property. Under the terms of the LOI, Northern Gold may acquire an option to earn up to an undivided 80 % of the Company's 100% interest in the Garrison gold property. Under the proposed option agreement, Northern Gold may acquire a 50% undivided interest in the property by making cash payments of \$1,000,000 over four years, with all or part of the payments being made in Northern Gold stock at Northern Gold's option, using a 20-day value weighted average price, upon regulatory approval. To earn the 50% interest, Northern Gold must also complete work on the property in the amount of \$4,000,000 over four years, with \$500,000 being spent on the property in the first year. After earning the 50% interest, Northern Gold can then acquire an additional 30% interest by making additional cash payments of \$1,000,000 over four years (again with all or part of the payments being made in Northern Gold stock equivalent, using a 20-day value weighted average price) and completing additional work on the property in the amount of \$4,000,000 over four years. All payments and work may be made or done at the sole discretion of Northern Gold. The proposed option agreement is subject to due diligence, negotiation of final terms and conditions and regulatory approval.

#### **(b) Tower Mountain Project, Ontario**

##### Tower Mountain Property

In June 2002, the Company entered into an option agreement with two optionors to earn a 100% interest in the Tower Mountain Gold Property located in north western Ontario. The Company earned its interest by making cash payments of \$220,000 and completing \$1,000,000 in exploration expenditures on the property over a four-year period. Commencing in 2008, an annual pre-production royalty of \$25,000 in cash or shares is payable, ending on commencement of production. Subsequent to July 31, 2008, the Company issued 250,000 common shares at a price of \$0.10, as payment for the initial royalty payment. The Company also acquired a building on the property at a cost of \$25,000. The property is subject to a 2.5% NSR on production which may be reduced to 1.5% by a payment to the optionors of \$1,000,000 at any time up to the commencement of commercial production.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**4. Mineral property interests (continued)**

In the nine months ended April 30, 2009, the Company entered into an agreement with HMZ Metals Inc. ("HMZ"), by which HMZ was granted an option to acquire 50% of the Company's interest in the property. Pursuant to the agreement, HMZ must issue to the Company 1,000,000 HMZ post-consolidation common shares and incur a minimum of \$2,900,000 in expenditures on or in relation to the property. Share issuances are as follows: 200,000 shares upon receipt on regulatory approval, and 160,000 shares at each of the next five anniversaries of regulatory approval; and expenditures of not less than \$350,000 to be spent on the property on or prior to the first anniversary of regulatory approval, and thereafter, no less than \$100,000 on or before each subsequent anniversary after regulatory approval. In addition, HMZ has agreed to pay the annual taxes on patented claims forming part of the property and make the annual \$25,000 pre-production royalty payment due on the property for the duration of the agreement. HMZ may, at its discretion, accelerate its option and earn its interest in and to the property by completing its obligations at any time prior to the dates set out above. Upon completing its earn-in obligations HMZ will be vested with 50% of the Company's right, title and interest in the property, and the parties may enter into a 50:50 joint venture for the further exploration and development of the property.

The deemed expenditures at the initiation of the joint venture will be the total value of all property option payments and expenditures incurred by HMZ and the Company and the deemed value of expenditures of each party at commencement of the joint venture will be 50% of that amount. Should either party elect not to participate further or be unable to participate in further exploration of the property, its interest will decrease such that at all times the interest of each party will be that percentage which is equivalent to its expenditures or its deemed expenditures expressed as a percentage of exploration costs or deemed expenditures of both parties. If either party's interest drops to or below 10%, its interest shall be converted to a 2.0% NSR provided that the other party will have the right to purchase 50% of such NSR for \$2,900,000 at any time up to the commencement of commercial production. HMZ will be entitled to be the operator of the joint venture so long as its interest remains at or greater than 50%. The agreement is subject to regulatory approval. This agreement has not progressed as the optionor has not raised equity capital for exploration. As a result, the Company will continue to follow the progress of this agreement, but will continue to pursue other opportunities for sale or joint venture on this property.

**(c) Venezuela Properties, Venezuela**

In January 2006, the Company entered into a memorandum of understanding with a group of three private companies under which the Company could acquire all of the shares of Honnold Corp, a British Virgin Island company that indirectly held twenty-seven exploration licenses in Bolivar State, Venezuela (the "Venezuela Properties"). The acquisition was accomplished in two phases. Initially, the Company advanced US\$500,000 cash and 5,000,000 common shares as consideration for acquiring the sole and exclusive right and option to purchase the shares of Honnold Corp. The initial shares were issued immediately following regulatory approval of the transaction. The option, as amended, was then exercisable at any time up to October 9, 2007.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**4. Mineral property interests (continued)**

**(c) Venezuela Properties, Venezuela (continued)**

To complete the exercise of the option, the Company paid the optionors an additional US\$1,500,000 in cash and issued 15,014,443 common shares, with a fair value of US\$5,000,000. The number was calculated based on a per share amount equal to US\$0.20 plus one-half of the difference between US\$0.20 and the average closing price of the Company's common shares as traded on the TSX Venture Exchange over the 90-day period prior to the exercise date, but in any event was to be not less than US\$0.20.

The optionors retain a collective 10% free carried interest in the properties until the completion of a bankable feasibility study on the properties or any portion thereof. If they elect to maintain this interest, they would be obligated to provide their share of funding as required or their 10% interest would be diluted. The optionors also retain a 2% NSR interest in the Venezuela Properties. An arm's length finder's fee was paid in two installments. The first installment of 375,000 common shares was made following regulatory approval of the agreement, and were recorded at market value on the date of issuance of \$0.29. The second installment of the finder's fee, due upon exercise of the option, was paid by the issuance of 890,073 common shares, equivalent to US\$325,000 at the time of issuance. During the year ended July 31, 2008, the Company decided not to pursue certain of the Venezuela properties, resulting in a write off of costs incurred to date of \$10,502,677. The mineral property acquisition costs relate to the Incredible concessions. In the nine months ended April 30, 2009, the Company has continued to review its options with respect to its Venezuela properties, and has written down its exploration and maintenance costs on the properties by a total of \$3,432,235.

**(d) Commitments**

During the twelve-month period ended April 30, 2010, the Company has no share payments or cash payments due on any of its mineral properties. The Tower Mountain payment of \$25,000 due in July 2009 is expected to be paid by HMZ, pursuant to the option agreement. Land lease or property tax payments are due on all properties held and are required to be made at different times throughout the year, and total approximately \$228,000 per year.

**5. Investments and marketable securities**

<b>Marketable securities</b>	<b>Number of Shares</b>	<b>Fair Value April 30, 2009</b>	<b>Book Value April 30, 2009</b>
Brigadier Gold Ltd.	557,000	11,141	60,342

During the nine months ended April 30, 2009, the Company has designated the above securities as available for sale. During the nine months ended April 30, 2009, the Company sold 718,000 common shares of Brigadier Gold Ltd., 25,000 shares of Impact Silver Ltd. and 5,000 shares of Mediterranean Minerals Corp. for net proceeds of \$36,849.

Subsequent to April 30, 2009, the Company has sold 50,000 common shares of Brigadier Gold Ltd. for net proceeds of \$1,500.

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

## VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### 5. Investments and marketable securities (continued)

Investments	Number of Shares	Book Value April 30, 2009	Fair Value April 30, 2009	Fair Value July 31, 2008
Emgold Mining Corporation (Note 8 (f))	400,000	\$ 40,000	\$ 12,000	\$ 48,000
Sultan Minerals Inc. (Note 8 (f))	665,000	99,750	23,276	69,825
Quorum Management and Administrative Services Inc.	1	1	1	1
<b>Total Investments</b>		<b>\$ 139,751</b>	<b>\$ 35,277</b>	<b>\$ 117,826</b>

Investments	Number of Shares	Book Value July 31, 2008	Fair Value July 31, 2008
Emgold Mining Corporation (Note 8 (f))	400,000	\$ 40,000	\$ 48,000
Sultan Minerals Inc. (Note 8 (f))	665,000	99,750	69,826
Mediterranean Minerals Corp.	5,000	2,000	775
Brigadier Gold Ltd.	1,275,000	108,375	76,500
Brigadier Gold Ltd. – warrants	425,000	29,120	9
Impact Silver Corp.	25,000	--	18,000
<b>Total Investments</b>		<b>\$ 279,245</b>	<b>\$ 213,110</b>

### 6. Buildings and equipment

	Cost	Accumulated Amortization	Net Book Value April 30, 2009	Cost	Accumulated Amortization	Net Book Value July 31, 2008
Vehicles	\$ 21,449	\$ 21,449	\$ --	\$ 49,873	\$ 24,260	\$ 25,613
Office equipment	30,715	27,255	3,460	30,692	13,281	17,411
Buildings	61,399	17,231	44,168	61,339	12,571	48,768
Computer equipment	18,626	12,625	6,001	18,626	7,979	10,647
Field equipment	53,282	49,565	3,717	53,282	51,347	1,935
	<b>\$ 185,471</b>	<b>\$ 128,125</b>	<b>\$ 57,346</b>	<b>\$ 213,812</b>	<b>\$ 109,438</b>	<b>\$ 104,374</b>

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### **7. Share capital**

#### **(a) Authorized**

Unlimited number of common shares without par value

#### **(b) Issued and fully paid**

See Consolidated Statements of Shareholders' Equity.

#### **(c) Stock options**

The Company has a stock option plan for its directors and employees to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. Options generally vest immediately or over a two-year period, and have a maximum term of ten years. The plan currently allows for the issue of up to 10,977,454 stock options. In addition, options may be issued under this plan in exchange for goods or services.

The following table summarizes recent changes in the number of stock options outstanding:

	<b>Options</b>	<b>Weighted Average Exercise Price</b>
Balance, July 31, 2007	6,478,750	\$0.31
Granted	200,000	\$0.30
Exercised	(450,000)	\$0.25
Cancelled	(253,750)	\$0.30
Balance, July 31, 2008	5,975,000	\$0.31
Cancelled	(850,000)	\$0.42
Balance, April 30, 2009	5,125,000	\$0.29
Exercisable at April 30, 2009	5,125,000	\$0.29

The following table summarizes information about the stock options outstanding at April 30, 2009:

<b>Number Outstanding at April 30, 2009</b>	<b>Weighted Average Remaining Contractual Life</b>	<b>Weighted Average Exercise Price</b>
1,205,000	1.7 years	\$0.25
100,000	2.2 years	\$0.25
620,000	3.6 years	\$0.25
1,155,000	4.5 years	\$0.25
160,000	0.2 years	\$0.25
1,735,000	2.9 years	\$0.35
150,000	3.1 years	\$0.62
5,125,000	3.0 years	\$0.29

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## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### **7. Share capital (continued)**

The Black-Scholes option valuation model (“B-S”) was developed for use in estimating the fair value of traded options that are fully transferable and have no vesting restrictions. The Company’s stock options are not transferable and cannot be traded. The B-S model also requires an estimate of expected volatility so the Company uses historical volatility rates to arrive at an estimate. Changes in the subjective input assumptions can materially affect the fair value estimate of stock options granted.

#### **(d) Warrants**

As at April 30, 2009, the following share purchase warrants were outstanding:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
5,837,500	\$0.50	May 4, 2009**
416,450	\$0.50	May 4, 2009**
4,445,500	\$0.50	May 25, 2009**
2,377,500	\$0.60	November 30, 2009
204,800*	\$0.35	November 30, 2009
102,400	\$0.60	November 30, 2009
456,000	\$0.60	December 10, 2009
68,200*	\$0.35	December 10, 2009
34,100	\$0.60	December 10, 2009
4,330,000	\$0.20	July 4, 2010
2,962,000	\$0.20	July 24, 2010
21,234,450	\$0.43 (Average)	

\*\*The warrants expiring on May 4, 2009 and May 25, 2009, expired, unexercised.

The warrants noted with an asterisk (\*) are finder’s unit warrants exercisable at \$0.35 to receive one common share and one warrant. Each warrant is then exercisable at a price of \$0.60 for two years.

The following table summarizes recent changes in the number of warrants outstanding:

	<b>Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, July 31, 2007	22,567,965	\$0.42
Issued	10,535,000	\$0.32
Exercised	(604,040)	\$0.38
Expired, unexercised	(3,321,603)	\$0.40
Balance, July 31, 2008	29,177,322	\$0.45
Expired, unexercised	(7,942,872)	\$0.49
Balance, April 30, 2009	21,234,450	\$0.43

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

**VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**8. Related party transactions and balances**

Services provided by:	<b>Nine months ended April 30,</b>	
	<b>2009</b>	<b>2008</b>
Glencoe Management Ltd. (c)	\$ 19,874	\$ 27,000
Quorum Management and Administrative Services Inc. (a and d)	394,012	670,465
Kent Avenue Consulting Ltd. (d)	22,500	30,750

  

Balances payable to	<b>April 30, 2009</b>	<b>July 31, 2008</b>
Quorum Management and Administrative Services Inc. (a)	(582,782)	(214,119)
Officer and directors	(353,594)	(121,439)
Glencoe Management Ltd. (c)	(36,618)	(15,750)
Total balances payable	\$ (972,994)	\$ (351,308)

- (a) Management, administrative, geological and other services have been provided by Quorum Management and Administrative Services Inc. (“Quorum”), formerly LMC Management Services Ltd., since August 1, 2001. Quorum is a private company held jointly by the Company and other public companies, to provide services on a full cost recovery basis to the various public entities currently sharing office space with the Company. Currently, the Company has a 25% interest in Quorum. There is no difference between the cost of \$1 and equity value. Three months of estimated working capital is required to be on deposit with Quorum under the terms of the services agreement, and at April 30, 2009, the Company did not have three months of fees advanced to Quorum, and was in arrears on its monthly payments. The contractual agreement provides for the issuance of shares in the capital of the Company to Quorum, cessation of services, or provision of security to the non-defaulting shareholders of Quorum. Subsequent to April 30, 2009, Quorum received 10,773,900 common shares at a deemed value of \$0.05 in settlement of \$538,695 in debt, pursuant to the policies of the TSX Venture Exchange (See Note 12 - Subsequent event).
- (b) Directors’ fees are paid to non-executive directors on a quarterly basis and for meetings attended during the year. Directors’ fees have been accrued but not paid since December, 2007.
- (c) Glencoe Management Ltd. is a private company controlled by Andrew F.B. Milligan, Chairman of the Company. Management fees of \$19,874 (2008 - \$27,000) were paid to Glencoe Management Ltd. for the services of the Chairman. Fees of \$36,618 have been accrued but not paid at April 30, 2009. Mr. Milligan did not stand for re-election and is no longer Chairman of the Company, and fees for services have terminated.
- (d) Consulting fees of \$22,500 (2008 - \$30,750) were paid or are payable indirectly to Kent Avenue Consulting Ltd., a private company controlled by a director, Sargent H. Berner. These fees are paid through Quorum, and are also included in the balance for ‘services provided by Quorum’. Any amount owing to Kent Avenue Consulting Ltd. is owed by Quorum, and so is included in the net payable to Quorum.
- (e) Three directors have advanced demand loans totalling \$24,000, which is included in the balances payable to related parties. Interest is payable at 12% per annum on the demand loans, and the remaining balances due to related parties are non-interest bearing and due on demand.

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### **8. Related party transactions and balances (continued)**

- (f) The Company's investments include shares of two companies with directors and/or management in common with the Company throughout the fiscal period. Transactions with related parties are recorded at their exchange values which are the amounts entered into and agreed by both parties.

### **9. Financial instruments**

At April 30, 2009, except as noted below, the fair values of cash and cash equivalents, investments, due from (to) related parties, and accounts receivable, approximate carrying values because of the short-term nature of these instruments. The fair values of the Company's accounts payable and accrued liabilities are significantly lower than carrying value due to the Company's current financial condition. (See Note 12 - Subsequent event).

At April 30, 2009, cash and cash equivalents were held as cash in bank accounts, primarily in Canadian banks. The company holds no temporary investments. At July 31, 2008, the Company had no temporary investments.

The Company's financial instruments comprised cash, cash equivalents, receivables, accounts payable and accrued liabilities, and amounts due from/to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from financial instruments. The fair value of the financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. The Company is affected by changes between its reporting and foreign functional currencies. The Company monitors its foreign currency balances to mitigate these risks.

### **10. Risk management**

#### **Currency risk**

The Company is exposed to currency risk which is the possibility that changes in exchange rates produce an unintended effect on net income and shareholders' equity when measured in other than the measurement currency of the Company. The Company holds cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and due to / from related parties. The Company monitors exposure of invested assets to foreign exchange and limits these amounts. The Company may from time to time, experience losses resulting from fluctuations in the values of the Canadian dollar, which could adversely affect operating results. The Company has exposure to currency risk in its accounts payable in United States dollars. This has resulted in exchange losses of \$63,594 which have been recorded in the period ending April 30, 2009.

#### **Interest rate risk**

The Company is exposed to interest rate risk on its cash and cash equivalents. Generally, the Company's interest income will be reduced during sustained periods of lower interest rates as higher yielding cash equivalents mature and the proceeds are invested at lower interest rates.

**The Company's independent auditor has not performed a review of these consolidated financial statements.**

## **VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

### **10. Risk management (continued)**

#### **Liquidity risk**

The Company is exposed to liquidity risk which is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Company endeavours to manage liquidity risk by maintaining sufficient cash and short-term investment balances for settlement of its obligations. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital in order to meet short-term obligations. At April 30, 2009, the Company does not have sufficient cash on hand to meet its current obligations. The Company will need to raise capital to continue its operations.

#### **Market risk and commodity price risk**

Market risk is the risk of loss arising from adverse changes in market rates and prices. The significant market risk exposure to the Company relates to commodity price risk and specifically declines in the price of gold. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold associated with the Company's mineral property interests.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Company's Board of Directors.

### **11. Supplementary cash flow information**

During the nine months ended April 30, 2009 and 2008, the Company conducted non-cash investing and financing activities as follows:

	<b>Three months ended</b>		<b>Nine months ended</b>					
	<b>April 30,</b>		<b>April 30,</b>					
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>				
Shares issued for mineral property interests and finders' fees	\$	--	\$	--	\$	25,000	\$	5,727,203
Amortization capitalized to mineral property interests		11,346		31,282		37,460		58,682
Stock-based compensation and future income taxes capitalized to mineral property interests	\$	--	\$	26,982	\$	2,932	\$	112,292

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**VALGOLD RESOURCES LTD.**

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2009 and 2008

(Unaudited – prepared by management)

**12. Subsequent event**

Subsequent to April 30, 2009, the Company issued a total of 19,899,700 common shares at a deemed value per common share of \$0.05 to settle outstanding aggregate debt of \$994,986, of which Quorum, a related party, received 10,773,900 common shares at a deemed value of \$0.05 in settlement of \$538,695 in debt, pursuant to the policies of the TSX Venture Exchange.

The Company's independent auditor has not performed a review of these consolidated financial statements.

**VALGOLD RESOURCES LTD.**

(an exploration stage company)

Note 13: Consolidated Schedule of Mineral Property Interests

Nine months ended April 30, 2009

(Unaudited – prepared by management)

	<b>Tower Mountain and Other, Ontario</b>	<b>Venezuelan Properties, Venezuela</b>	<b>Manitoba Properties</b>	<b>Garrison Property, Ontario</b>	<b>Guyana Properties, Guyana</b>	<b>Total Mineral Property Interests April 30, 2009</b>
<b>Acquisition costs</b>						
Balance, beginning of period	\$ 263,708	\$ 1,322,558	\$ --	\$ 119,384	\$ --	\$ 1,705,650
Incurred (recovered) during the period	25,503	--	--	1,729	--	27,232
Balance, end of period	289,211	1,322,558	--	121,113	--	1,732,882
<b>Exploration and development costs</b>						
Incurred during the period						
Assays and analysis	--	--	--	52	8,323	8,375
Geological and geophysical	1,165	29,349	134	(1,227)	(152)	29,269
Land lease and property taxes	--	133,113	--	--	--	133,113
Site activities	2,038	139,320	40	8,715	17,857	167,970
Stock-based compensation	--	2,382	--	612	(59)	2,935
Travel and accommodation	--	3,017	--	--	--	3,017
	3,203	307,181	174	8,152	25,969	344,679
Balance, beginning of period	2,665,420	3,125,054	2	3,685,206	--	9,475,682
Write-down of mineral property interests	--	(3,432,235)	(174)	--	(25,969)	(3,458,378)
Balance, end of period	2,668,623	-	2	3,693,358	--	6,361,983
<b>Total Mineral Property Interests</b>	<b>\$ 2,957,834</b>	<b>\$ 1,322,558</b>	<b>\$ 2</b>	<b>\$ 3,814,471</b>	<b>--</b>	<b>\$ 8,094,865</b>

The Company's independent auditor has not performed a review of these consolidated financial statements.

## VALGOLD RESOURCES LTD.

(an exploration stage company)

Note 13: Consolidated Schedule of Mineral Property Interests

Year ended July 31, 2008

(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Hunter Mine, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Guyana Properties, Guyana	Total Mineral Property Interests July 31, 2008
<b>Acquisition costs</b>							
Balance, beginning of year	\$ 258,362	\$ --	\$ 2,168,503	\$ 117,088	\$ 117,655	\$ 106,987	\$ 2,768,595
Incurred (recovered) during the year	5,346	3,350	7,089,403	--	1,729	181,111	7,280,939
	263,708	3,350	9,257,906	117,088	119,384	288,098	10,049,534
Write-down of mineral property interests	--	(3,350)	(7,935,348)	(117,088)	--	(288,098)	(8,343,884)
Balance, end of year	263,708	--	1,322,558	--	119,384	--	1,705,650
<b>Exploration and development costs</b>							
Incurred during the year							
Assays and analysis	20,739	--	90,876	--	23,111	168,693	303,419
Drilling	83,575	--	714,444	--	--	134,658	932,677
Geological and geophysical	37,936	--	206,767	(867)	136,883	617,855	998,574
Land lease and property taxes	--	--	216,676	--	--	22,118	238,794
Site activities	11,709	--	1,172,387	14,910	25,343	424,554	1,648,903
Stock-based compensation and related future income tax	--	--	45,712	--	12,904	108,338	166,954
Travel and accommodation	3,210	--	116,629	--	14,270	187,853	321,962
	157,169	--	2,563,491	14,043	212,511	1,664,069	4,611,283
Balance, beginning of year	2,508,251	460,739	4,812,034	(4,610)	3,472,695	1,091,397	12,340,506
Future income tax recovery	--	--	(1,683,142)	--	--	--	(1,683,142)
Write-down of mineral property interests	--	(460,739)	(2,567,329)	(9,431)	--	(2,755,466)	(5,792,965)
Balance, end of year	2,665,420	--	3,125,054	2	3,685,206	--	9,475,682
<b>Total Mineral Property Interests</b>	<b>\$ 2,929,128</b>	<b>\$ --</b>	<b>\$ 4,447,612</b>	<b>\$ 2</b>	<b>\$ 3,804,590</b>	<b>\$ --</b>	<b>\$ 11,181,332</b>