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

VALGOLD RESOURCES LTD.
(an exploration stage company)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 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 October 31, 2009 and July 31, 2009
(Unaudited – prepared by management)

	October 31, 2009	July 31, 2009
Assets		
Current assets		
Cash and cash equivalents	$ 31,369	$ 10,892
Accounts receivable and prepaids	27,415	18,208
Marketable securities (Note 6)	65,355	88,690
	124,139	117,790
Investments (Note 6)	240,626	--
Buildings and equipment (Note 7)	48,398	52,862
Mineral property interests (Note 5)	1,637,230	1,757,882
	$ 2,050,393	$ 1,928,534
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,141,374	$ 965,201
Due to related parties (Note 9)	691,929	574,756
	1,833,303	1,539,957
Shareholders' equity		
Share capital (Note 8 (b))	51,610,414	51,610,414
Warrants	386,642	386,642
Contributed surplus	3,295,707	3,295,707
Accumulated other comprehensive loss	87,500	--
Deficit	(55,163,173)	(54,904,186)
	217,090	388,577
	$ 2,050,393	$ 1,928,534

Going concern (Note 1)
Subsequent event (Note 12)
Commitments (Note 5 (b))

See accompanying notes to consolidated financial statements.

Approved by the Directors

"Kenneth Yurichuk"

Kenneth Yurichuk
Director

"Stephen J. Wilkinson"

Stephen J. Wilkinson
Director

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

VALGOLD RESOURCES LTD.

(an exploration stage company)
Consolidated Statements of Operations and Deficit
Three months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

	2009	2008 (restated)
Expenses (recoveries)		
Amortization	$ 2,928	$ 3,225
Exploration costs (Note 13)	176,931	211,919
Foreign exchange loss	4,186	61,154
Interest expense	2,294	6,561
Legal, accounting and audit	16,000	8,785
Management and consulting fees (Note 9)	7,500	16,500
Office and administration (Note 9)	18,109	76,820
Salaries and benefits	63,414	136,945
Shareholder communications	1,402	30,007
Stock-based compensation	--	13,967
Travel and conferences	--	--
	292,764	565,883
Recovery in excess of mineral property acquisition costs	(57,012)	--
Impairment write-down on marketable securities	23,335	--
Interest income	(100)	(462)
Loss for the period	(258,987)	(565,421)
Deficit, beginning of period	(54,904,186)	(53,981,238)
Deficit, end of period	$ (55,163,173)	$ (54,546,659)
Loss per common share – basic and diluted	$ (0.00)	$ (0.01)
Weighted average number of common shares – basic and diluted	109,774,536	89,801,466

Statement of Comprehensive Loss
(Unaudited – prepared by management)

	2009	2008 (restated)
Loss for the period before comprehensive loss	$ (258,987)	$ (565,421)
Unrealized gain (loss) on investments	87,500	(108,409)
Comprehensive loss	$ (171,487)	$ (673,830)

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)
Consolidated Statements of Shareholders' Equity
Three months ended October 31, 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, 2008 (restated)	89,624,836	$ 51,286,918	$ 2,101,899	$ 1,563,547	$ (53,981,238)	$ (136,886)	$ 834,240
Shares issued for mineral property interests and other							
Tower Mountain annual pre-production royalty paid in shares	250,000	25,000	--	--	--	--	25,000
Shares issued for debt	19,899,700	298,496	--	--	--	--	298,496
Stock-based compensation	--	--	--	16,903	--	--	16,903
Change in investments for the period	--	--	--	--		136,886	136,886
Warrants expired, unexercised	--	--	(1,715,257)	1,715,257	--	--	--
Loss for the period	--	--	--	--	(922,948)	--	(922,948)
Balance, July 31, 2009	109,774,536	51,610,414	386,642	3,295,707	(54,904,186)	--	388,577
Change in investments for the period	--	--	--	--	--	87,500	87,500
Loss for the period	--	--	--	--	(258,987)	--	(258,987)
Balance, October 31, 2009	109,774,536	$ 51,610,414	$ 386,642	$ 3,295,707	$ (55,163,173)	$ 87,500	$ 217,090

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)
Consolidated Statements of Cash Flows
Three months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

	2009	2008
Cash provided by (used for)		**(restated)**
Operations		
Loss for the period	$ (258,987)	$ (565,421)
Items not involving cash		
Amortization	4,464	15,126
Stock-based compensation	--	16,902
Impairment write-down on marketable securities	23,335	--
Recovery in excess of mineral property acquisition costs	(57,012)	--
Changes in non-cash operating working capital		
Accounts receivable and prepaids	(9,207)	69,788
Accounts payable and accrued liabilities	176,172	106,380
	(121,235)	(357,225)
Investments		
Mineral property interests		
Acquisition costs	(461)	--
Proceeds from mineral property option	25,000	--
	24,539	--
Financing		
Related party advances	117,173	218,996
	117,173	218,996
Increase (decrease) in cash and cash equivalents during the period	20,477	(138,229)
Cash and cash equivalents, beginning of period	10,892	236,485
Cash and cash equivalents, end of period	$ 31,369	$ 98,256

Supplementary cash flow information (Note 11)

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 months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

1. Nature of operations and going concern uncertainty

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 October 31, 2009, the Company has no source of operating cash flow and an accumulated deficit of $55,163,173 (July 31, 2009 - $54,904,186). At October 31, 2009, the Company has a working capital deficiency of $1,709,164 (July 31, 2009 - $1,422,167). Operations for the period ended October 31, 2009, were funded primarily from the sale of shares of marketable securities and the use of cash on hand and advances from related parties and the sale of investments in marketable securities.

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 5 (b)), but as yet, the optionor has been unable to fund its planned exploration program. Subsequent to July 31, 2009, the Company signed a final option agreement on its Garrison property (Note 5 (a)), and received the first payment under the option agreement comprised of $25,000 in cash and 2,178,500 common shares of Northern Gold Mining Inc. ("Northern Gold"), which become free-trading in February 2010. The market price of the common shares of Northern Gold was $0.07 on the day they were issued to the Company.

The current financial equity market conditions, and the challenging funding environment make it difficult to raise funds by private placements of shares. 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 mineral property interests and other 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 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 property interests represent acquisition 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 property interests 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 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 months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

2. Basis of presentation

The accompanying financial statements for the interim periods ended October 31, 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, 2009.

3. Changes in accounting policy

During the year ended July 31, 2009, the Company retrospectively changed its accounting policy for exploration expenditures to align itself with policies adopted by other exploration stage mining companies. In previous years, the Company had capitalized all such costs to mineral property interests held directly or through an investment, and only wrote down capitalized costs when the property was abandoned or determined to be impaired.

On March 27, 2009 the Emerging Issues Committee ("EIC") of the CICA issued EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties, in particular, and on impairment of long-lived assets in general.

The Company has retrospectively changed its accounting policy to expense exploration costs until the mineral property interest is deemed to reach the development stage, at which time it will commence capitalizing development costs. Significant costs related to mineral property acquisitions, including allocations for undeveloped mineral property interests, are capitalized until the viability of the mineral property interest is determined. After an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. The impact of this change on the previously reported October 31, 2008, interim consolidated financial statements is as follows:

	As Previously Reported	Restatement	As Restated
Mineral properties interests at October 31, 2008	$ 11,396,037	$ (9,665,387)	$ 1,730,650
Deficit at October 31, 2008	44,881,272	9,665,387	54,546,659
Cumulative changes in deficits prior to July 31, 2008	28,928,037	10,657,364	39,585,401
Changes to the statement of operations in the three months ended October 31, 2008			
Exploration expenses	--	211,919	211,919
Write-down of mineral property interests	22,214	(22,214)	--
Loss for the three months ended October 31, 2008	(375,716)	(189,705)	(565,421)
Loss per share for the three months ended October 31, 2008	$0.00	$(0.01)	$(0.01)
Cumulative changes in deficit and mineral property interests		9,665,387	
Change in cumulative deficit, restated, October 31, 2008	$ 39,585,401	$ 14,395,837	$ 53,981,238

4. 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 Handbook 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 Handbook Section 3062. The new section is effective for the Company on August 1, 2009. The Company has no goodwill or intangible assets as of October 31, 2009.

(b) 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 Interests", which together replace Handbook 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). Handbook 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.

Under Handbook 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. The Company is currently assessing the future impact of these new sections on its consolidated financial statements.

(c) Business combinations

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces Section 1581, Business Combinations, and provides the equivalent to International Financial Reporting Standards ("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.

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

(c) Business combinations (continued)

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 our consolidated financial statements for future acquisitions that will be made in periods subsequent to the date of adoption.

5. **Mineral property interests**

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

	July 31, 2009	Additions (Dispositions)	October 31, 2009
Garrison Project (a)	$ 121,113	$ (121,113)	$ --
Tower Mountain (b)	314,211	461	314,672
Venezuela Properties (c)	1,322,558	--	1,322,558
	$ 1,757,882	$ (120,652)	$ 1,637,230

(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.

During the three months ended October 31, 2009, the Company finalized an agreement with Northern Gold Mining Inc. ("Northern Gold"), whereby Northern Gold may acquire an initial 50% undivided interest in the property by making cash payments to the Company of $1,000,000 over four years, with all or part of the payments being made in Northern Gold common shares at Northern Gold's option, using a 20-day value weighted average price. The Company received $25,000 in cash and 2,187,500 common shares for the first annual payment of $200,000. The shares received were recorded at a market value of $0.07, the price on the date of receipt of the common shares. To earn the 50% interest, Northern Gold must also complete exploration 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 of the agreement and not less than $750,000 to be expended in each of the subsequent years. After earning the initial 50% interest, Northern Gold may increase its interest to 80% by making additional cash payments of $1,000,000 over four years, with all or part of the payments being made in Northern Gold common shares at Northern Gold's option, priced using a 20-day value weighted average price and completing additional exploration work on the property in the amount of $4,000,000 over the next four years.

5. Mineral property interests (continued)

(b) Tower Mountain Project, Ontario

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. On August 27, 2008, the Company issued 250,000 common shares at a market 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. The pre-production royalty due in July 2009 has not been paid, but will be paid when the Company is able. The Company has been in discussions with the holder of the advance royalty payment.

During the three months ended October 31, 2009, the Company revised an agreement entered into in early 2009 with HMZ Metals Inc. ("HMZ"), whereby HMZ was granted an option to acquire 50% of the Company's interest in the property. Pursuant to the amended agreement, HMZ must issue to the Company 2,000,000 HMZ post-consolidation common shares on or prior to August 31, 2013, and incur a minimum of $2,900,000 in expenditures on or in relation to the property. Share issuances are as follows: 400,000 shares upon receipt on regulatory approval, and 400,000 shares at each of the next four anniversaries of regulatory approval; and expenditures of not less than $350,000 to be spent on the property on or prior to February 28, 2010, and thereafter, no less than $100,000 on or before August 31, of the next four years to August 31, 2013. 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 would be vested with 50% of the Company's right, title and interest in the property, and the parties would enter into a 50:50 joint venture for the further exploration and development of the property. HMZ is under a cease trade order with the securities' regulators, and the agreement, as amended, may need to be terminated if HMZ is unable to meet its commitments with respect to the 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. 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.

VALGOLD RESOURCES LTD.

(an exploration stage company)
Notes to Consolidated Financial Statements
Three months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

5. Mineral property interests (continued)

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 of common shares for a total of 1,265,073 common shares. The mineral property costs of $1,322,558 reflect the costs related to acquisition costs on the Increible concessions, a portion of the Venezuelan Properties.

(d) Measurement uncertainty

The operations in Venezuela are subject to the effects of changes in legal, tax and regulatory regimes, national and local political, labour and economic developments or unrest, currency and exchange controls and import/export restrictions, government bureaucracy and other political risks and uncertain legal enforcement. The Company has not experienced any property specific adverse impact to date on its operations in Venezuela or Canada, but general mining market conditions have deteriorated, particularly with respect to exploration in Venezuela, resulting in a decrease in the price of the Company's common shares and creating difficulty in raising sufficient equity capital to effectively explore or develop the Company's mineral property interests.

One or more of the issues described herein, or other factors beyond our control in future periods could adversely affect the Company's operations and investment in Venezuela and/or Canada in the future, and could result in further potential or total write-downs of the Company's recorded mineral property interests of $1,637,230 at October 31, 2009. Such write-down amounts could be material.

6. Marketable securities and investments

	Number of Shares	Book Value October 31, 2009	Fair Value October 31, 2009	Fair Value July 31, 2009
Emgold Mining Corporation (Note 8 (f))	400,000	$ 19,555	$ 19,555	$ 32,000
Sultan Minerals Inc. (Note 8 (f))	665,000	33,270	33,270	46,550
Brigadier Gold Ltd.	507,000	12,530	12,530	10,140
Total Marketable Securities		65,355	65,355	88,690
Northern Gold Mining Inc.	2,187,500	153,126	240,626	--
Total Investments		$ 153,126	$ 240,626	$ --
Total		$ 218,481	$ 305,981	$ 88,690

Subsequent to October 31, 2009, the Company sold 507,000 common shares of Brigadier Gold Ltd., 665,000 common shares of Sultan Minerals Inc. and 400,000 common shares of Emgold Mining Corporation for net proceeds of $65,355.

VALGOLD RESOURCES LTD.

(an exploration stage company)
Notes to Consolidated Financial Statements
Three months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

7. Buildings and equipment

	Cost	Accumulated Amortization	Net Book Value October 31, 2009	Cost	Accumulated Amortization	Net Book Value July 31, 2009
Vehicles	$ 21,449	$ 21,449	$ --	$ 21,449	$ 21,449	$ --
Office equipment	30,715	27,975	2,740	30,715	27,614	3,101
Buildings	61,339	20,238	41,101	61,339	18,704	42,635
Computer equipment	18,626	15,498	3,128	18,626	14,069	4,557
Field equipment	53,282	51,853	1,429	53,282	50,713	2,569
	$ 185,411	$ 137,013	$ 48,398	$ 185,411	$ 132,549	$ 52,862

8. 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

In January 2008, the shareholders approved a 10% rolling stock option plan as prescribed by the policies of the TSX Venture Exchange. The Company has a stock option plan for its directors, employees and consultants 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

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

	Options	Weighted Average Exercise Price
Balance, October 31, 2009 and July 31, 2009	4,140,000	$0.30
Exercisable at October 31, 2009 and July 31, 2009	4,140,000	$0.30

8. Share capital (continued)

The following table summarizes information about the stock options outstanding at October 31, 2009:

Number Outstanding at October 31, 2009	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
1,205,000	1.2 years	$0.25
100,000	1.7 years	$0.25
470,000	3.1 years	$0.25
580,000	4.0 years	$0.25
1,635,000	2.4 years	$0.35
150,000	2.6 years	$0.62
4,140,000	2.4 years	$0.30

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. During the period, stock-based compensation of $2,935 was capitalised to mineral property interests on the balance sheet.

(d) Warrants

As at October 31, 2009, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
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
10,535,000	$0.32 (Average)	

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. These finder's unit warrants were valued using the B-S valuation model using a risk free interest rate of 3.66%, a two-year life, and an expected volatility of 78% and 79%, and no dividends.

Subsequent to October 31, 2009, 2,833,500 warrants priced at $0.60, 273,000 warrants priced at $0.35, and 136,500 warrants priced at $0.60, expired, with expiry dates of November 30, 2009, and December 10, 2009, expired unexercised.

VALGOLD RESOURCES LTD.

(an exploration stage company)
Notes to Consolidated Financial Statements
Three months ended October 31, 2009 and 2008
(Unaudited – prepared by management)

8. Share capital (continued)

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

	Warrants	Weighted Average Exercise Price
Balance, October 31, 2009 and July 31, 2009	10,535,000	$0.32

9. Related party transactions and balances

Services provided by:	Three months ended October 31, 2009	2008
Glencoe Management Ltd. (c)	--	9,000
Quorum Management and Administrative Services Inc. (a and d)	51,494	204,491
Kent Avenue Consulting Ltd. (d)	7,500	7,500

Balances payable to	October 31, 2009	July 31, 2009
Quorum Management and Administrative Services Inc. (a)	(139,771)	(85,778)
Officer and directors	(515,540)	(452,360)
Glencoe Management Ltd. (c)	(36,618)	(36,618)
Total balances payable	$ (691,929)	$ (574,756)

(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, providing services on a full cost recovery basis to the various public entities currently sharing office space with the Company. At October 31, 2009, the Company has a 25% interest in Quorum at a cost of $1. 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 October 31, 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.

(b) Directors' fees were paid to non-executive directors on a quarterly basis and for meetings attended. Directors' fees were accrued but not paid since December, 2007, and since the third quarter of the year ended July 31, 2009, are no longer being accrued, until such time as the Company is able to pay directors' fees.

(c) Glencoe Management Ltd. is a private company controlled by Andrew F.B. Milligan, Chairman of the Company. Management fees of $3,000 were paid to Glencoe Management Ltd. for the services of the Chairman. Fees of $36,618 have been accrued but not paid at October 31, 2009. Mr. Milligan did not stand for re-election in February 2009 and fees for his services as Chairman were terminated at that time.

VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements
Three months ended October 31, 2009 and 2008
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9. Related party transactions and balances (continued)

(d) Consulting fees of $7,500 (2008 - $12,500) are 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) Balances receivable from related parties are non-interest bearing and due on demand.

(f) The Company’s investments include shares of two companies with directors and/or management in common with the Company throughout the period.

(g) Transactions with related parties are recorded at their exchange values which are the amounts entered into and agreed by both parties.

10. Financial instruments

The Company has not hedged its exposure to currency fluctuations. At October 31, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated in United States dollars and Venezuelan bolivars, but presented in Canadian dollar equivalents. The Company uses the parallel market rates when converting its transactions and assets and liabilities in Venezuelan bolivars.

	October 31, 2009
United States dollars	
Cash and cash equivalents	157
Accounts payable and accrued liabilities	(322,223)
Venezuelan bolivars	
Cash and cash equivalents	--
Accounts payable and accrued liabilities	(665,080)

Based on the above net exposures at October 31, 2009, and assuming that all other variables remain constant a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase/decrease of $32,207 in the Company’s loss from operations, and a 10% appreciation or depreciation of the Canadian dollar against the Venezuelan bolivar would result in an increase/decrease of $66,508 in the Company’s loss from operations. The Company’s exposure will primarily be due to changes in the Venezuelan bolivar, as a significant portion of its accrued liabilities are in Venezuelan bolivars.

11. Supplementary cash flow information

During the three months ended October 31, 2009 and 2008, the Company conducted non-cash investing and financing activities as follows:

	2009	2008
Shares issued related to mineral property interests and finders’ fees	$ --	$ 25,000

12. Subsequent event

Subsequent to October 31, 2009, the Company received $78,815 from a third party relating to a property investigation conducted by the Company several years ago. The amount included interest of $14,810 in addition to the amount receivable of $64,005 which had been written off by the Company in the year ended July 31, 2007.

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

VALGOLD RESOURCES LTD.

(an exploration stage company)
Note 13: Exploration expenses
Three months ended October 31, 2009
(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Garrison Property, Ontario	Total Exploration Expenses October 31, 2009
Exploration expenses				
Incurred during the period				
Land lease and property taxes	--	30,724	--	30,724
Site activities	625	144,674	908	146,207
Total expenses, October 31, 2009	$ 625	$ 175,398	$ 908	$ 176,931

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

VALGOLD RESOURCES LTD.

(an exploration stage company)
Note 13: Exploration expenses
Three months ended October 31, 2008
(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Guyana Properties, Guyana	Total Exploration Expenses October 31, 2009
Cumulative exploration expenses						
October 31, 2008, as previously reported	$2,667,228	$3,306,636	$2	$3,691,521	--	$9,665,387
Adjustments	(2,667,228)	(3,306,636)	(2)	(3,691,521)	--	(9,665,387)
Restated, October 31, 2008	--	--	--	--	--	--
Incurred during the period						
Assays and analysis	--	--	--	12	4,877	4,889
Geological and geophysical	1,050	29,079	71	238	(499)	29,939
Land lease and property taxes	--	51,991	--	--	--	51,991
Site activities	758	95,113	23	5,453	17,801	119,148
Stock-based compensation	--	2,382	--	612	(59)	2,935
Travel and accommodation	--	3,017	--	--	--	3,017
Total expenses, October 31, 2008	$ 1,808	$ 181,582	$ 94	$ 6,315	$ 22,120	$ 211,919

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

VALGOLD RESOURCES LTD.

(an exploration stage company)
Note 13: Exploration expenses
(Unaudited – prepared by management)
Year ended July 31, 2009

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Guyana Properties, Guyana	Total Exploration Expenses July 31, 2009
Cumulative exploration expenses						
July 31, 2008, as previously reported	$ 2,665,420	$ 3,125,054	$ 2	$ 3,685,206	$ --	$ 9,475,682
Adjustments	(2,665,420)	(3,125,054)	(2)	(3,685,206)	--	(9,475,682)
Restated, July 31, 2008	--	--	--	--	--	--
Incurred during the year						
Assays and analysis	--	--	--	52	8,323	8,375
Geological and geophysical	1,165	29,256	134	(996)	(152)	29,407
Land lease and property taxes	--	184,634	--	--	--	184,634
Site activities	2,663	176,871	40	11,494	17,857	208,925
Stock-based compensation	--	2,382	--	612	(59)	2,935
Travel and accommodation	--	3,017	--	--	--	3,017
Total expenses, July 31, 2009	$ 3,828	$ 396,160	$ 174	$ 11,162	$ 25,969	$ 437,293