

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
THREE AND SIX MONTHS ENDED JANUARY 31, 2010 AND 2009
(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 January 31, 2010 and July 31, 2009

(Unaudited – prepared by management)

	January 31, 2010	July 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 338,911	\$ 10,892
Accounts receivable and prepaids	30,886	18,208
Marketable securities (Note 6)	--	88,690
	369,797	117,790
Investments (Note 6)	437,501	--
Buildings and equipment (Note 7)	44,560	52,862
Mineral property interests (Note 5)	1,637,230	1,757,882
	\$ 2,489,088	\$ 1,928,534
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,007,876	\$ 965,201
Due to related parties (Note 9)	653,311	574,756
	1,661,187	1,539,957
Shareholders' equity		
Share capital (Note 8 (b))	51,610,414	51,610,414
Share subscriptions	425,900	--
Warrants	142,852	386,642
Contributed surplus	3,539,497	3,295,707
Accumulated other comprehensive loss	284,375	--
Deficit	(55,175,137)	(54,904,186)
	827,901	388,577
	\$ 2,489,088	\$ 1,928,534

Going concern (Note 1)

Subsequent events (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

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Consolidated Statements of Operations and Deficit

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

	Three months ended January 31,		Six months ended January 31,	
	2010	2009 (restated)	2010	2009 (restated)
Expenses				
Amortization	\$ 2,306	\$ 3,225	\$ 5,234	\$ 6,450
Exploration costs (Note 13)	(80,264)	121,181	96,667	333,100
Foreign exchange loss (gain)	(5,243)	10,521	(1,057)	71,675
Interest expense	2,076	22,786	4,370	29,347
Legal, accounting and audit	16,000	23,471	32,000	32,256
Management and consulting fees	7,500	16,500	15,000	33,000
Office and administration	21,289	101,267	39,398	178,087
Salaries and benefits	91,717	102,386	155,131	239,331
Shareholder communications	35,398	16,318	36,800	46,325
Stock-based compensation	--	--	--	13,967
	90,779	417,655	383,543	983,538
Interest income	(14,810)	(63)	(14,910)	(525)
Recovery of bed debt	(64,005)	--	(64,005)	--
Recovery in excess of mineral property acquisition costs	--	--	(57,012)	--
Impairment write-down on marketable securities	--	--	23,335	--
Realized loss on investments	--	29,120	--	29,120
Loss for the period	(11,964)	(446,712)	(270,951)	(1,012,133)
Deficit, beginning of period	(55,163,173)	(54,546,659)	(54,904,186)	(53,981,238)
Deficit, end of period	\$(55,175,137)	\$(54,993,371)	\$(55,175,137)	\$(54,993,371)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	109,774,536	89,874,836	109,774,536	89,838,151

Statements of Comprehensive Income (loss)
(Unaudited – prepared by management)

	Three months ended January 31,		Six months ended January 31	
	2010	2009 (restated)	2010	2009 (restated)
Loss for the period before comprehensive income	\$ (11,964)	\$ (446,712)	\$ (270,951)	\$ (1,012,133)
Change in unrealized loss on investments	196,875	(23,249)	284,375	(108,400)
Realized gain on investment	--	29,120	--	29,120
Comprehensive income (loss)	\$ 184,911	\$ (440,841)	\$ 13,424	\$ (1,091,413)

See accompanying notes to consolidated financial statements.

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VALGOLD RESOURCES LTD.

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Consolidated Statements of Shareholders' Equity

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

	Common Shares Without Par Value		Share subscriptions	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	--	--	--	--	--	--	284,375	284,375
Warrants expired, unexercised	--	--	--	(243,790)	243,790	--	--	--
Share subscriptions	--	--	425,900	--	--	--	--	425,900
Loss for the period	--	--	--	--	--	(270,951)	--	(270,951)
Balance, January 31, 2010	109,774,536	\$ 51,610,414	\$ 425,900	\$ 142,852	\$ 3,539,497	\$ (55,175,137)	\$ 284,375	\$ 827,901

See accompanying notes to consolidated financial statements.

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VALGOLD RESOURCES LTD.

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Consolidated Statements of Cash Flows

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

	Three months ended January 31,		Six months ended January 31,	
	2010	2009 (restated)	2010	2009 (restated)
Cash provided by (used for):				
Operations				
Loss for the period	\$ (11,964)	\$ (446,712)	\$ (270,951)	\$(1,012,133)
Items not involving cash				
Amortization	3,838	17,438	8,302	32,564
Stock-based compensation	--	--	--	16,902
Loss on investments	--	29,120	23,335	29,120
Recovery of bad debt	(64,005)	--	(64,005)	--
Gain on recovery of mineral property	--	--	(57,012)	--
Changes in non-cash working capital				
Accounts receivable and prepaids	(18,282)	21,888	(27,488)	91,676
Due from related parties	--	265,954	--	484,950
Accounts payable and accrued liabilities	(133,497)	20,512	42,675	126,892
	(223,910)	(91,800)	(345,144)	(230,029)
Investing activities				
Mineral property acquisition costs	--	(1,502)	(462)	(1,502)
Proceeds from mineral property option	--	--	25,000	--
Proceeds on sale of marketable securities	65,355	--	65,355	--
	65,355	(1,502)	89,893	(1,502)
Financing activities				
Due from related parties	(38,618)	--	78,555	--
Share subscriptions received	425,900	--	425,900	--
Recovery of bad debt expense	78,815	--	78,815	--
	466,097	--	583,270	--
Increase (decrease) in cash and cash equivalents during the period	307,542	(93,302)	328,019	(231,531)
Cash and cash equivalents, beginning of period	31,369	98,256	10,892	236,485
Cash and cash equivalents, end of period	\$ 338,911	\$ 4,954	\$ 338,911	\$ 4,954

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 and six months ended January 31, 2010 and 2009

(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 January 31, 2010, the Company has no source of operating cash flow and an accumulated deficit of \$55,175,137 (July 31, 2009 - \$54,904,186). At January 31, 2010, the Company has a working capital deficiency of \$1,291,390 (July 31, 2009 - \$1,422,167). Operations for the period ended January 31, 2010, 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. In the six months ended January 31, 2010, 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 condition 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.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

2. Basis of presentation

The accompanying financial statements for the interim periods ended January 31, 2010 and 2009, 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 January 31, 2009, interim consolidated financial statements is as follows:

	As Previously Reported	Restatement	As Restated
Mineral properties interests at January 31, 2009	\$ 11,518,269	\$ (9,786,117)	\$ 1,732,152
Deficit at January 31, 2009	45,207,254	9,786,117	54,993,371
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 six months ended January 31, 2009			
Exploration expenses	--	333,100	333,100
Write-down of mineral property interests	22,665	(22,665)	--
Loss for the six months ended January 31, 2009	(701,698)	(310,435)	(1,021,133)
Loss per share for the six months ended January 31, 2009	\$(0.01)	\$(0.00)	\$(0.01)
Cumulative changes in deficit and mineral property interests		9,786,117	
Change in cumulative deficit, restated, January 31, 2009	\$ 45,207,254	\$ 9,786,117	\$ 54,993,371

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

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 January 31, 2010.

(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.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

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)	January 31, 2010
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 six months ended January 31, 2010, 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.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

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.

In fiscal 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. HMZ did not complete its planned transaction, and as a result, the Company is considering other options with respect to the Tower Mountain Gold Project, including further exploration by ValGold, subject to financing, joint venture with other parties or sale of the property will be considered.

(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.

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 Incredible concessions, a portion of the Venezuelan Properties.

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VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

5. Mineral property interests (continued)

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 January 31, 2010. Such write-down amounts could be material.

6. Marketable securities and investments

	Number of Shares	Book Value January 31, 2010	Fair Value January 31, 2010	Fair Value July 31, 2009
Emgold Mining Corporation (Note 8 (f))	400,000	\$ --	\$ --	\$ 32,000
Sultan Minerals Inc. (Note 8 (f))	665,000	--	--	46,550
Brigadier Gold Ltd.	507,000	--	--	10,140
Total Marketable Securities		--	--	88,690
Northern Gold Mining Inc.	2,187,500	153,126	437,501	--
Total Investments		\$ 153,126	\$ 437,501	\$ --
Total		\$ 153,126	\$ 437,501	\$ 88,690

During the six months ended January 31, 2010, 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.

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Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

7. Buildings and equipment

	Cost	Accumulated Amortization	Net Book Value January 31, 2010	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	21,771	39,568	61,339	18,704	42,635
Computer equipment	18,626	16,841	1,785	18,626	14,069	4,557
Field equipment	53,282	52,815	467	53,282	50,713	2,569
	\$ 185,411	\$ 140,851	\$ 44,560	\$ 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 and See Note 12 - Subsequent Events.

(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 plan provides for the granting of incentive stock options to 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, January 31, 2010 and July 31, 2009	4,140,000	\$0.30
Exercisable at January 31, 2010 and July 31, 2009	4,140,000	\$0.30

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VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

8. Share capital (continued)

The following table summarizes information about the stock options outstanding at January 31, 2010:

Number Outstanding at January 31, 2010	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
1,205,000	1.0 years	\$0.25
100,000	1.5 years	\$0.25
470,000	2.9 years	\$0.25
580,000	3.8 years	\$0.25
1,635,000	2.2 years	\$0.35
150,000	2.4 years	\$0.62
4,140,000	2.1 years	\$0.30

The Black-Scholes option valuation model ("B-S") may be used to estimate the value of outstanding options granted under the Company's plan was developed for use in estimating the fair value of traded options that are fully transferable and have no vesting restrictions. It should be noted, however, that 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 January 31, 2010, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
4,330,000	\$0.20	July 4, 2010
2,962,000	\$0.20	July 24, 2010
7,292,000	\$0.20	

During the six months ended January 31, 2010, 2,833,500 warrants priced at \$0.60; 273,000 warrants priced at \$0.35, and 136,500 warrants priced at \$0.60, with expiry dates of November 30, 2009, and December 10, 2009, expired, unexercised.

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 six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

9. Related party transactions and balances

Services provided by:	Six months ended January 31,	
	2010	2009
Glencoe Management Ltd. (c)	\$ --	\$ 18,000
Quorum Management and Administrative Services Inc. (a and d)	139,126	343,022
Kent Avenue Consulting Ltd. (d)	15,000	15,000

Balances payable to	January 31, 2010	July 31, 2009
Quorum Management and Administrative Services Inc. (a)	(46,217)	(85,778)
Officer and directors	(570,476)	(452,360)
Glencoe Management Ltd. (c)	(36,618)	(36,618)
Total balances payable	\$ (653,311)	\$ (574,756)

- (a) Management, administrative, geological and other services have been provided by Quorum Management and Administrative Services Inc. (“Quorum”) 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. Three months of estimated working capital is required to be on deposit with Quorum under the terms of the services agreement, and at January 31, 2010, the Company did not have three months of fees advanced to Quorum, but was current 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, former Chairman of the Company. Management fees of \$3,000 per month were paid to Glencoe Management Ltd. for the services of the Chairman. Fees of \$36,618 have been accrued but not paid at January 31, 2010. Mr. Milligan did not stand for re-election in February 2009 and fees for his services as Chairman were terminated at that time.
- (d) Consulting fees of \$15,000 (2009 - \$15,000) 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 included shares of two companies with directors and/or management in common with the Company throughout the period. The shares were sold during the period.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

9. Related party transactions and balances (continued)

(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 January 31, 2010, 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.

	January 31, 2010
United States dollars	
Cash and cash equivalents	14,391
Accounts payable and accrued liabilities	(326,147)
Venezuelan bolivars	
Cash and cash equivalents	1,374
Accounts payable and accrued liabilities	(582,886)

Based on the above net exposures at January 31, 2010, 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 \$31,176 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 \$58,151 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 six months ended January 31, 2010 and 2009, the Company conducted non-cash investing and financing activities as follows:

	Three months ended		Six months ended	
	January 31,		January 31,	
	2010	2009	2010	2009
	(restated)		(restated)	
Shares received related to mineral property interests	\$	--	\$	--
	--	\$	153,125	\$
	--	\$	--	\$

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and six months ended January 31, 2010 and 2009

(Unaudited – prepared by management)

12. Subsequent events

Subsequent to January 31, 2010, the Company:

- (a) completed the consolidation of its issued and outstanding and unissued common shares on the basis of one new consolidated common share for five existing common shares effective March 1, 2010, following the required shareholder approval received at the Company's extraordinary meeting (held on February 3, 2010). The shares, warrants, and stock options as presented in these interim consolidated financial statements are pre-consolidation numbers.
- (b) completed a private placement of 4,195,000 Subscription Receipts at a price of \$0.17, for gross proceeds of \$713,150, which converted to 4,195,000 units comprised of one common share and one share purchase warrant, immediately upon closing, due to the share consolidation which became effective March 1, 2010.

Each unit consists of one consolidated common share and one non-transferable purchase warrant exercisable to purchase one additional consolidated common share at a price of \$0.25 for a period of five (5) years after the closing date. If, at any time after the date that is four months and one day following the closing dates of the private placement, the closing price of the common shares of the Company on the TSX Venture Exchange, or such other stock exchange or quotation system on which the Company's common shares are then traded, is not less than \$0.50 per share for a period of 10 consecutive trading days (whether or not a trade occurs on any of such days), then the Company may elect to accelerate the expiry time of any unexercised share purchase warrants by sending notice to the holder.

Finders' fees of \$49,895 consisting of \$4,250 in cash, 25,000 finders' warrants and the balance of \$45,645 paid in 268,500 units and 268,500 finders' warrants in connection with a part of the offering in accordance with Exchange policies. Finders' warrants are exercisable to purchase one share at a price of \$0.25 for a period of 18 months.

A second closing of the private placement is expected to complete in the first week of April 2010.

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

Six months ended January 31, 2010

(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Total Mineral Property Interests January 31, 2010
Exploration and development costs					
Incurred during the period					
Geological and geophysical	--	--	52	--	52
Land and property taxes	--	62,314	--	--	62,314
Site activities	1,250	27,609	11	5,273	34,143
Travel and accommodation	--	158	--	--	158
Total expenses, January 31, 2009	\$ 1,250	\$ 90,081	\$ 63	\$ 5,273	\$ 96,667

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

Six months ended January 31, 2009

(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Guyana Properties, Guyana	Total Mineral Property Interests January 31, 2009
Cumulative exploration expenses						
January 31, 2009, as previously reported	\$ 2,667,998	\$ 3,424,161	\$ 2	\$ 3,693,956	\$ --	\$ 9,786,117
Adjustments	(2,667,998)	(3,424,161)	(2)	(3,693,956)	--	(9,786,117)
Restated, January 31, 2009	--	--	--	--	--	--
Exploration and development costs						
Incurred during the period						
Assays and analysis	--	--	--	52	4,877	4,929
Geological and geophysical	1,165	29,349	109	353	(152)	30,824
Land and property taxes	--	94,655	--	--	--	94,655
Site activities	1,413	169,704	33	7,733	17,857	196,740
Stock-based compensation	--	2,382	--	612	(59)	2,935
Travel and accommodation	--	3,017	--	--	--	3,017
Total expenses, January 31, 2009	\$ 2,578	\$ 299,107	\$ 142	\$ 8,750	\$ 22,523	\$ 333,100

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VALGOLD RESOURCES LTD.

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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