

ValGold Resources Ltd.
Management Discussion and Analysis for the Three and Six Months Ended
January 31, 2010

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1.1 Date

The effective date of this interim report is April 1, 2010.

1.2 Overview

ValGold Resources Ltd. (“ValGold” or the “Company”) is a mineral exploration company. The Company has a portfolio of mineral exploration projects.

This Management’s Discussion and Analysis (“MD&A”) contains certain “Forward-Looking Statements”. All statements, other than statements of historical fact included herein, including without limitation, statements regarding potential mineralization and resources, research and development activities, and future plans of the Company are forward-looking statements that may involve various risks and uncertainties including future changes in prices of gold and other metals; variations in ore reserves, grades or recovery rates, accidents, labour disputes and other risks associated with mining; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, technological obsolescence, and other factors. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Subject to applicable laws, the Company expressly disclaims any obligation to revise or update forward-looking statements in the event actual results differ from those currently anticipated.

This MD&A should be read in conjunction with the audited consolidated financial statements of ValGold for the year ended July 31, 2009, and the interim consolidated financial statements for the three and six months ended January 31, 2010 and 2009. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

The following is a brief summary of its current activities.

ValGold’s loss for the six months ended January 31, 2010 (“fiscal 2010”) was \$270,951 or \$0.00 per share compared to a loss of \$1,012,133 (as restated) or \$0.01 per share in the six months ended January 31, 2009 (“fiscal 2009”).

The Company had securities with a fair value of \$65,355 that were sold during the period for net proceeds of \$65,355. In fiscal 2010 the Company received cash of \$25,000 and 2,187,500 common shares of Northern Gold Mining Inc. (“Northern Gold”) for the option of its Garrison Property in Ontario. At January 31, 2010, the common shares had a fair value of \$437,500.

During fiscal 2010, cash used in operations was \$345,145, compared to \$230,029, as restated, in fiscal 2009. Exploration expenses totalled \$96,667 in fiscal 2010 compared to \$333,100 in fiscal 2009. Exploration activities were incurred on the following mineral properties in fiscal 2010, with the comparative figures for fiscal 2009 in parentheses: Tower Mountain – \$1,250 (\$2,578); Venezuelan properties - \$90,081 (\$299,107); Manitoba Properties \$63 (\$142); Garrison Property - \$5,273 (\$8,750); and Guyana - \$Nil (\$22,523).

At January 31, 2010, the Company had a working capital deficiency of \$1,291,390, including \$653,311 owing to related parties. The Company’s ability to continue operations is contingent on its ability to obtain additional financing, as its current cash on hand is not sufficient to cover accounts payable, which are primarily accrued liabilities relating to operations in Venezuela.

Subsequent to January 31, 2010, the Company completed the consolidation of its issued and outstanding and unissued common shares on the basis of one new consolidated common share for five existing

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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.

Subsequent to January 31, 2010, the Company 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 units comprised of one common share and one share purchase warrant, immediately upon closing, due to the share consolidation completed on 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 were paid consisting of \$4,250 in cash, 25,000 finders' warrants and the balance of \$45,645 paid in 268,500 units including 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.

Although there can be no assurances, management believes the Company should be able to secure the necessary financing to continue operations into the future. With current market conditions, financing may be in the form of equity offerings, sales of assets, joint ventures, or other form of corporate reorganization. The Company has sold its investments in common shares of other public companies, which have been used as a source of working capital.

1.2.1 Venezuela Acquisition

In October 2007, ValGold completed its acquisition of all of the shares of Honnold Corp. ("Honnold"), a British Virgin Island company that, through a group of wholly-owned direct and indirect subsidiaries, held twenty-seven exploration licenses (the "Venezuelan Properties") covering approximately 1,300 square kilometers ("km") in Bolivar State, Venezuela. During the option period, the Company reduced the number of licenses to 21 concessions covering approximately 1,071 square km.

Exploration expenditures by Honnold from 1991 to 1999 amounted to US\$38 million and outlined several occurrences of significant gold mineralization. An extensive database was acquired including detailed airborne magnetic and radiometric surveys, soil surveys, drilling and geologic reports.

In the year ended July 31, 2008, ValGold wrote down the Venezuelan Properties acquisition costs by \$7,935,348, which leaves the acquisition costs not written off in prior years as a value for the remaining claims and the geologic database acquired, at \$1,322,558. The Company does not presently have the working capital to carry out any exploration programs on the property, although the Company has completed and filed an initial mineral resource estimate prepared by Micon International on the Los Patos gold deposit. The full NI 43-101 report dated April 10, 2008, on the main zone of the Los Patos gold deposit was filed on SEDAR. The Company had planned to resume its exploration work with diamond

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drilling to expand the limits of the Los Patos deposit in addition to testing the other high priority gold targets along the highly prospective Los Chivos shear zone.

The Company is continuing to pursue all avenues with respect to the properties, including joint venture, disposition or other forms of financing.

Fiscal 2010 exploration expenditures with the comparative fiscal 2009 figures on the Venezuelan Properties include geological and geophysical - \$Nil (\$29,349); land lease and property taxes - \$62,314 (\$94,655); site activities - \$27,609 (\$169,704); stock-based compensation - \$Nil (\$2,382) and travel and accommodation - \$158 (\$3,017). The Company has curtailed all expenses in Venezuela, other than necessary accruals related to unpaid liabilities. Subsequent to January 31, 2010, the Company has reduced its accruals relating to unpaid liabilities by \$250,000, relating to severance liabilities in Venezuela.

Tax Treaties

Venezuela has entered into tax treaties with a number of countries including Canada.

Exchange Controls

The Company has been able to obtain bolivars at rates significantly better than the prevailing official exchange rates. As a result, the exchange rates realized by the Company in the parallel market have been used to translate the balances from bolivars to Canadian dollars.

Venezuela currently has exchange controls that affect the ability of companies doing business in Venezuela to convert Venezuelan source income into foreign currency. The Central Bank of Venezuela enacted such exchange control measures in 2003 to protect international reserves. The exchange rate, originally fixed at approximately 1.600 Bolivars/\$US, has been adjusted upwards twice since 2003, and presently stands fixed at 2.150 Bolivars/\$US. Continuance of exchange controls could adversely affect the Company's operations in Venezuela, including its ability to satisfy its obligations.

1.2.2 Garrison Property, Ontario

ValGold has a 100% right, title and interest in 35 mining claims located in Garrison Township, Kirkland Lake District, Larder Lake Mining Division in Northern Ontario. The property is located 40 km north of the Town of Kirkland Lake, 100 km east of Timmins and 8 km west of and on strike with St. Andrews Goldfields Ltd. Holloway and Holt-McDermott gold mines. Access to the property is by Ontario highway 101 that runs along the north boundary of the property. The mining leases cover approximately three kilometres of the famous Destor Porcupine Fault Zone ("DPFZ") and a major splay, the Munro Fault Zone ("MFZ").

Fiscal 2010 exploration expenditures incurred by the Company before the transaction with Northern Gold (described below), with the comparative fiscal 2009 figures on the Garrison Property include assay and analysis costs - \$Nil (\$52); geological and geophysical - \$Nil (\$353); site activities - \$5,273 (\$7,733) and stock-based compensation - \$Nil (\$612)

During the six months ended January 31, 2010, the Company finalized an agreement with 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.

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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. Over the period from January 31, 2010, to March 31, 2010, the shares of Northern Gold traded in a range from \$0.16 to \$0.36.

During 2009, eleven diamond drill holes totalling 2,333 metres ("m") were completed as a first step towards developing a resource calculation for the Garrcon shaft zones. The drill program involved step out and infill drilling on a minimum spacing of 25 to 30m. Multiple occurrences of visible gold were observed as fine disseminations in ten of the eleven holes drilled.

To date, the Garrcon shaft zones have been drilled over a strike length of 195m (640 feet), but the zones could continue for 500m (1600 feet) on strike as indicated by drilling by previous operators in 1987. The shaft zones have also been successfully tested to vertical depths beyond 200m (650 feet) in C-06-07 by ValGold, where 3.48 g/t Au was intersected over 13.5m at a down-hole depth of 275.5m.

The following table highlights the gold zone intersections reported by Northern Gold in the holes: GAR-09-03A, -09 and -10:

| HOLE ID | FROM (m) | TO (m) | LENGTH (m) | GRADE (g/t) | ZONE |
|------------------|---------------------|-------------------|-----------------------|------------------------|-------------------|
| GAR-09-03A | 36.0 | 64.0 | 28.0 | 1.01 | Shaft B |
| Including | 46.0 | 58.0 | 12.0 | 1.60 | |
| including | 56.0 | 56.5 | 0.5 | 8.50 * | |
| GAR-09-03A | 93.0 | 94.0 | 1.0 | 1.13 | Shaft C |
| GAR-09-03A | 129.0 | 130.0 | 1.0 | 1.60 | |
| GAR-09-03A | 142.0 | 143.0 | 1.0 | 1.05 | |
| GAR-09-03A | 159.5 | 161.5 | 2.0 | 3.03 * | South Zone |
| GAR-09-09 | 35.0 | 36.0 | 1.0 | 2.36 | North B |
| GAR-09-09 | 82.0 | 83.0 | 1.0 | 1.04 | |
| GAR-09-09 | 103.0 | 132.0 | 29.0 | 4.90 | |
| Including | 112.0 | 132.0 | 20.0 | 6.74 | North A+DZ |
| Including | 112.0 | 117.0 | 5.0 | 14.67 | |
| Including | 115.5 | 116.5 | 1.0 | 33.22g * | |
| and | 131.0 | 132.0 | 1.0 | 14.33 | |
| GAR-09-10 | 18.0 | 19.0 | 1.0 | 0.90 | |
| GAR-09-10 | 62.0 | 63.0 | 1.0 | 0.98 | |
| GAR-09-10 | 70.0 | 71.0 | 1.0 | 2.29 | |

*Note: All widths are down-hole thickness; *-visible gold observed in sample interval*

GAR-09-03A was designed to test the Shaft zones east of the Garrcon shaft. GAR-09-09 was designed to test the north zones. GAR-09-10 was far removed from the other ten drill holes and was testing possible extensions of the Garrcon shaft zones east of the Garrcon shaft.

GAR-09-03A was drilled south and collared 100m (330 feet) east of the Garrcon shaft. This hole was advanced 10m in front of GAR-09-03 which finished in mine workings on the 73m level. Multiple occurrences of visible gold were noted in the shaft zones.

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GAR-09-09 was drilled north and was designed to test the north zones 30m above GAR-09-01. A broad high grade interval was intersected in the north A and DZ including one sample with visible gold. This high grade interval correlates with a 22.0m intersection in GAR-09-01 which graded 4.21 grams per tonne gold (“g/t Au”).

GAR-09-10 was drilled south and collared 500m east of the Garrcon shaft. This hole was designed to test possible extensions of the Garrcon shaft zones along strike. Several low grade sections were intersected which roughly correlate with the Garrcon shaft zones.

1.2.3 Tower Mountain Gold Project, Ontario

The following table summarizes drill programs and presents highlights of each of the eight drilling campaigns conducted by ValGold.

Highlights of Tower Mountain Gold Zones Drill Intersections

| Program | Holes Drilled | Total Meters | Best High-Grade Gold Intersection | Best Low-Grade Gold Intersection |
|---------------|------------------|-----------------|--------------------------------------|-------------------------------------|
| 2002 (Fall) | 5 | 1,042 | 23.17g/Tonne /1.5m in TM02-02 | 1.05g/Tonne /73.5m in TM02-03 |
| 2003 (Spring) | 5 | 1,085 | 11.77g/Tonne /3.0m in TM03-02 | 1.01g/Tonne /22.5m in TM03-03 |
| 2003 (Fall) | 7 | 1,499 | 19.76g/Tonne /1.5m in TM03-11 | 0.62g/Tonne /12.0m in TM03-12 |
| 2004 (Winter) | 10 | 2,601 | 304.0g/Tonne /3.0m in TM04-03 | 2.40g/Tonne /61.5m in TM04-09 |
| 2004 (Summer) | 13 | 3,450 | 68.91g/Tonne /0.2m in TM04-19 | 1.93g/Tonne /37.5m in TM04-15 |
| 2004 (Fall) | 13 | 3,418 | 41.35g/Tonne /1.5m in TM04-36 | 0.94g/Tonne /106.5m in TM04-31 |
| 2005 (Winter) | 14 | 3,523 | 16.00g/Tonne /1.5m in TM05-38 | 0.77g/Tonne /21.0m in TM05-44 |
| 2007 (Summer) | 8 | 1,661 | 58.20g/Tonne /1.5m in TM-07-56 | 0.59g/Tonne /21.0m in TM-07-56 |
| Total | 75 | 18,279 | | |

An independent NI 43-101 compliant mineral resource estimation was completed for the U and V zones. This report can be found on the SEDAR website and was certified on February 9, 2006. In August 2008, the Company issued 250,000 common shares at \$0.10, in lieu of a cash payment for an annual pre-production royalty to the optionors of the Tower Mountain Property. The Company has the option to issue shares in lieu of a cash payment. The payment due in July 2009 has been accrued but remains unpaid.

Current Status:

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.

Mr. Tom Pollock, P.Geo., PGC Consulting, is the Qualified Person for all of the Company's mineral property interests, and is responsible for all of the technical reporting in compliance with NI 43-101. Mr. Pollock instituted and is responsible for ValGold's program of QC/QA, using assay control samples and duplicates, during exploration programs.

1.2.4 Mineral Property Option Payments Due In the Twelve-Month-Period Ended January 31, 2011

In order to maintain existing mineral property option agreements, the Company will be required to make advance royalty and/or property tax payments on claims during the year totalling an estimated \$200,000. There is one option payment of cash or payment in common shares for a total \$25,000 that is required to be issued in the twelve-month period ended January 31, 2010, in addition to the payment due in July 2009 which has not been paid on the Tower Mountain property.

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1.2.5 Market Trends

The gold price in 2006 averaged US\$603 per ounce while in 2007 the gold price averaged US\$695 per ounce. The 2008 gold price averaged US\$872 per ounce, and the average price for 2009 was \$973, with an average price for 2010 of \$1,109 to the end of March 2010.

1.3 Selected Annual Information

The following selected financial information has been extracted from the Company's audited consolidated financial statements for the years ended July 31, 2009, 2008 (restated) and 2007 (restated), which have been prepared in accordance with Canadian generally accepted accounting principles and are expressed in Canadian dollars.

| | As at July 31, 2009 | As at July 31, 2008 (restated) | As at July 31, 2007 (restated) |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Current assets | \$ 117,789 | \$ 362,020 | \$ 3,748,462 |
| Mineral property interests | 1,757,882 | 1,705,650 | 3,885,595 |
| Other assets | 52,863 | 317,484 | 510,706 |
| Total assets | 1,928,534 | 2,385,154 | 8,144,763 |
| Current liabilities | 1,539,957 | 1,550,914 | 1,776,109 |
| Shareholders' equity | 388,577 | 834,240 | 6,368,654 |
| Total shareholders' equity and liabilities | 1,928,534 | 2,385,154 | 8,144,763 |
| Working capital deficiency | \$ (1,422,168) | \$ (1,188,894) | \$ 1,972,353 |

| | Year ended July 31, 2009 | Year ended July 31, 2008 (restated) | Year ended July 31, 2007 (restated) |
|---|-----------------------------|--|--|
| Expenses (Recoveries) | | | |
| Administrative expenses | 959,822 | 1,706,282 | 1,467,127 |
| Exploration expenses | 437,293 | 4,554,472 | 5,695,753 |
| Other (income and recoveries) costs | (625) | (76,121) | 25,105 |
| Write-down of mineral property interests | -- | 8,343,884 | 160,439 |
| Gain on debt settlement | (696,498) | -- | -- |
| Impairment write-down on investments | 105,985 | -- | -- |
| Loss (gain) on sale of marketable securities and investments | 116,971 | (132,680) | (1,087,432) |
| Loss before future income tax recovery | (922,948) | (14,395,837) | (6,260,992) |
| Future income tax recovery | -- | -- | 656,513 |
| Loss for the year | (922,948) | (14,395,837) | (5,604,479) |
| Loss per share – basic and diluted | \$ (0.01) | \$ (0.19) | \$ (0.15) |
| Weighted average number of common shares outstanding – basic and diluted | 93,727,243 | 76,657,349 | 37,808,293 |

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.

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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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1.4 Results of Operations

| | 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 | (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) |
| 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 |

ValGold incurred a loss of \$270,951 or \$0.00 per common share in fiscal 2010, compared to a loss of \$1,012,133 (restated) or loss per share of \$0.01 (restated) in fiscal 2009.

Legal, accounting and audit expenses decreased nominally from \$32,256 in fiscal 2009 to \$32,000 in fiscal 2010.

Management fees of \$3,000 per month were paid to Glencoe Management Ltd. for the services of Andrew F.B. Milligan as Chairman of the Company until February 2009. Mr. Milligan did not stand for re-election at the Company's Annual General Meeting held in February 2009. Management fees paid or payable to Mr. Milligan in fiscal 2009 totalled \$18,000, compared to \$Nil in fiscal 2010. Also included in management and consulting fees for fiscal 2010 and 2009 is \$15,000 paid or payable indirectly to Kent Avenue Consulting Ltd., a private company controlled by a director, Sargent H. Berner. The amounts are included in balances payable to related parties. Mr. Sargent Berner was appointed non-executive Chairman of the Company in February 2010,

Office and administration costs decreased from \$178,087 in fiscal 2009 to \$39,398 in fiscal 2010 as a result of the significantly lower level of activity in fiscal 2010. The office and administration costs include rent, shared office services and other costs.

Salaries and benefits have decreased from \$239,331 in fiscal 2009 to \$155,131 in fiscal 2010. Salaries and benefits are primarily paid by Quorum. The services of two employees of Quorum that worked directly for ValGold were terminated, one in November and one in December 2008. Effective November 1, 2008, the salary of the president and chief executive officer was deferred until the Company has

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sufficient funding for payment of his salary, but has been accrued, and a portion will be paid on completion of the private placement financing.

In fiscal 2009, there was \$13,967 incurred relating to stock-based compensation compared to \$Nil in fiscal 2010, calculated in accordance with the Black-Scholes (“B-S”) option valuation model which is intended to be used in estimating the fair value of traded options that are fully transferable. The Company’s stock options are not transferable and cannot be traded. The B-S model also requires an estimate of expected volatility. The stock-based compensation expense relates to the vesting of options granted in the year ended July 31, 2007, that vest over a period of eighteen months. In addition, \$Nil (2009 - \$2,935) in stock-based compensation was included in exploration costs.

Shareholder communications have decreased from \$46,325 in fiscal 2009 to \$36,800 in fiscal 2010. Shareholder activities consist of website maintenance, transfer agency fees, shareholder inquiries and all costs associated with timely disclosure of information, and have virtually been curtailed in fiscal 2010 for other than statutory requirements and maintenance costs.

The Company sold securities of other companies in the period for net proceeds of \$65,355. Interest and other income increased from \$525 in fiscal 2009 to \$14,910 in fiscal 2010.

Exploration expenses of \$96,667 were incurred in fiscal 2009, compared with \$333,100 in fiscal 2010.

The Company recorded a recovery in excess of mineral acquisition costs on the Garrison property of \$57,012, relating to the shares and cash received from Northern Gold.

In addition, the Company recorded an impairment write-down of \$23,335 on marketable securities and the unrealized recognition of the appreciation on fair value of investments of \$284,375 to the end of January 2010, which has been recorded as comprehensive income.

The Company received \$64,005 from a recovery of a bad debt that had been written off in the year ended July 31, 2007.

1.5 Summary of Quarterly Results (unaudited)

The tables below provide for each of the most recent eight quarters, a summary of property acquisition and exploration costs on a project-by-project basis, and a table of corporate expenses:

| | Tower Mountain Ontario | Manitoba Claims, Manitoba | Guyana Properties Guyana | Hunter Mine, Ontario | Garrison Property, Ontario | Venezuela Properties Venezuela |
|--------------------|---------------------------------------|--|---|-------------------------------------|---|---|
| Fiscal 2008 | | | | | | |
| Third Quarter | 8,325 | -- | 440,008 | -- | 84,244 | 334,334 |
| Fourth Quarter | 6,470 | 14,043 | 389,962 | (29,750) | 12,404 | 420,994 |
| Fiscal 2009 | | | | | | |
| First Quarter | 26,808 | 94 | 22,120 | -- | 6,315 | 181,582 |
| Second Quarter | 770 | 48 | 403 | -- | 3,937 | 117,525 |
| Third Quarter | 1,128 | 32 | 3,446 | -- | (371) | 8,071 |
| Fourth Quarter | 25,625 | -- | -- | -- | 3,010 | 88,982 |
| Fiscal 2010 | | | | | | |
| First Quarter | 461 | -- | -- | -- | (120,205) | 175,398 |
| Second Quarter | 789 | 63 | -- | -- | 4,365 | (78,731) |

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| | Loss (earnings) per quarter (restated) | Basic loss per share | General and adminis- trative expenses | (Gain) loss on investments, interest and other | Mineral property and other write- downs (recovery) | Exploration costs | Stock- based compen- sation |
|--------------------|---|----------------------------|---|--|---|----------------------|--------------------------------------|
| Fiscal 2008 | | | | | | | |
| Third Quarter | 1,183,355 | (0.01) | 348,115 | (42,374) | -- | 833,253 | 44,361 |
| Fourth Quarter | *9,595,647 | (0.12) | 381,302 | (1,089) | 8,343,884 | 840,030 | 31,520 |
| Fiscal 2009 | | | | | | | |
| First Quarter | 565,421 | (0.01) | 339,997 | (462) | -- | 211,919 | 13,967 |
| Second Quarter | 446,712 | (0.00) | 296,474 | 29,057 | -- | 121,181 | -- |
| Third Quarter | 278,193 | (0.00) | 182,677 | 83,934 | -- | 11,579 | 3 |
| Fourth Quarter | (348,368) | (0.00) | 126,704 | (586,696) | -- | 92,614 | -- |
| Fiscal 2010 | | | | | | | |
| First Quarter | (258,987) | (0.00) | 115,833 | 23,235 | (57,012) | 176,931 | -- |
| Second Quarter | 11,964 | (0.00) | 171,043 | (78,815) | -- | (80,264) | -- |

*includes write-downs of mineral property interests relating to decisions made by the Company in the fourth quarter of fiscal 2008.

During the three months ended January 31, 2010 ("Q2 2010"), the Company incurred a loss of \$11,964, or \$0.00 per common share, compared to a loss in the three months ended January 31, 2009 ("Q2 2009") of \$446,712 or \$0.00 per common share.

Interest and other income have increased from \$63 in Q2 2009 to \$14,810 in Q2 2010, due to interest received on an account receivable written off by the Company in its year ended July 31, 2007. The most significant changes in Q2 2010 from Q2 2009 were in office and administration expenses which decreased from \$101,267 to \$21,289 in Q2 2010 and interest expense which decreased from \$22,786 to \$2,076 in Q2 2010, as interest is not accrued pursuant to the management services agreement for arrears with Quorum as it is current on its services contract.

Expenses with significant increases in Q2 2010 include shareholder communications which increased from \$16,318 in Q2 2009 to \$35,398 in Q2 2010. Transfer agency fees increased due to the communications related to the proposed share consolidation, a late annual filing and related fees. There was no stock-based compensation in Q2 2009, compared to \$36,268 in Q2 2008. Other expenses decreased in Q2 2010 compared to Q2 2009. Exploration costs show a decrease of \$80,264 in Q2 2010, due to the exchange volatility of the Venezuelan bolivar.

1.6 Liquidity

Historically, the Company's sole source of funding was the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued common shares in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

The current market conditions, the challenging funding environment and the low price of ValGold's common shares make it difficult to raise funds by private placements of shares. Therefore the Company must rely on its ability to market its projects and thereby raise cash in order to remain solvent, in addition to limited private placements that will be necessary to provide working capital. There is no assurance that the Company will be successful with any financing ventures. Please refer to the "Financial Instruments and Risk Management" section of this document.

At January 31, 2010, the Company had a working capital deficiency of \$1,291,390, compared to a

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working capital deficiency of \$1,422,167 at July 31, 2009, defined as current assets less current liabilities. The Company's liabilities include amounts due to related parties of \$653,311, and other accounts payable and accrued liabilities of \$1,007,876. Most of the accounts payable relate to accruals of unpaid severance and accrued property taxes relating to its mineral property interests.

The Company's ability to continue operations is contingent on its ability to obtain additional financing. The Company has entered into an option agreement on its Garrison property and is pursuing other sources of financing including equity financing. 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.

The continuation of the Company is also 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.

During the six months ended January 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 received 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. Subsequent to January 31, 2010, the Company has paid approximately \$250,000 in accrued severance to previously terminated employees in Venezuela.

Investing Activities

At January 31, 2010, the Company had capitalized \$1,637,230 in mineral property acquisition costs, compared to \$1,757,882 at July 31, 2009, representing costs associated with the acquisition of its mineral property interests in Venezuela and Ontario, less recoveries related to options to third parties.

During the six months ended January 31, 2010, the Company sold 665,000 common shares of Sultan Minerals Inc., 400,000 common shares of Emgold Mining Corporation and 507,000 shares of Brigadier Gold Ltd. for net proceeds of \$65,355.

See the mineral property section for information on exploration work during the period and other information on the Company's mineral property interests.

1.7 Capital Resources

The Company holds 2,187,500 common shares of Northern Gold which will be available for sale by the Company in late February 2010. These shares were received under the option agreement on the Garrison property in Ontario in consideration of \$175,000 of the initial option payment. The shares were received in October 2009 and recorded at a price at \$0.07 per share (deemed \$0.08) and subject to a four-month hold under regulatory policies. At January 31, 2010, the fair value of these common shares was \$437,500.

Subsequent to January 31, 2010, the Company 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.

Please refer to the discussion of the first tranche of a private placement completed in the first week of March 2010. The Company will complete the final tranche of the private placement in the first week of

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April 2010.

Going Concern

At January 31, 2010, and subsequent to that date, the Company has had a working capital deficiency. It is estimated that it may require approximately \$1.75 million in total working capital to continue to operate the Company and pay the liabilities of the Company, including all accrued liabilities. Two employees in Canada were terminated in the year ended July 31, 2009, and the president and chief executive officer's salary is being deferred voluntarily, together with the cancellation after the third quarter of fiscal 2009 of directors' fees. The ability to raise working capital directly impacts the ability of the Company to undertake any planned exploration programs. Currently sufficient work has been undertaken on all of its current mineral property interests for several years, but if the Company is unable to perform sufficient exploration work in future years or with exploration partners, it may be necessary to write-down additional mineral property interests in future periods.

The Company's exploration activities and its potential mining and processing operations are subject to various laws governing land use, the protection of the environment, prospecting, development, production, contractor availability, commodity prices, exports, taxes, labour standards, occupational safety and health, waste disposal, toxic substances, mine safety and other matters. ValGold believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. There is no assurance that the Company will be able to obtain all permits required for exploration, any future development and construction of mining facilities and conduct of mining operations on reasonable terms or that new legislation or modifications to existing legislation, would not have an adverse effect on any exploration or mining project which the Company might undertake.

The Company has been performing reclamation activities on an on-going basis. As such, management feels that there is no significant reclamation liability outstanding on properties owned by the Company.

The low price of ValGold's common shares limits its ability to raise capital by issuing shares. There are several reasons for these effects. First, the internal policies of certain institutional investors prohibit the purchase of low-priced stocks. Second, many brokerage houses do not permit low-priced stocks to be used as collateral for margin accounts or to be purchased on margin. Third, some brokerage house policies and practices tend to discourage individual brokers from dealing in low-priced stocks. Finally, broker's commissions on low-priced stocks usually represent a higher percentage of the stock price than commissions on higher priced stocks. As a result, ValGold's shareholders pay transaction costs that are a higher percentage of their total share value than if ValGold's share price were substantially higher.

The Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. Several adverse conditions cast significant doubt on the validity of this assumption. The current financial equity market conditions, the inhospitable 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 adversely affected by the world economic situation, as it is considered to be a high-risk investment. 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 forms of equity financing, there is no assurance that any such activity will generate funds that will be available for operations.

The Company has been able to survive due to loans from related parties and the accrual and deferral of costs. During the six months ended January 31, 2010, the Company received \$65,355 from the sale of its remaining investments in marketable securities. The Company currently holds 2,187,500 common shares of Northern Gold which will be available for sale by the Company in late February 2010. At March 31, 2010, the common shares of Northern Gold had a closing market price of \$0.16. If this market price continues to remain at this level, the quoted closing price could provide the Company with working

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capital of approximately \$350,000, less costs of disposition. In February 2010 the Company paid the severance liability of approximately \$250,000 relating to its employees in Venezuela.

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 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.

Refer to measurement uncertainty regarding the mineral property interests in Section 1.12.

Outlook

The shares of junior mineral exploration companies experience substantial volatility, often based on factors unrelated to their financial performance or the prospects of the companies involved. Macroeconomic developments such as the US-focused financial crisis culminating in deep recession have impacted and altered market perceptions of the attractiveness of our industry sector. The Company's share price has floundered through this malaise as global events have been reshaping and recreating major parts of all capital markets. In addition, these factors have adversely affected the ability of the Company to obtain equity or debt financing. If these increased levels of volatility and market turmoil were to continue without change, the Company's operations could be adversely affected and the value and the price of the common shares would be negatively driven.

ValGold has so far survived the worst of the recession. Recently we have witnessed a possible turnaround in the market for ValGold's shares. The most likely reason for this turnaround is a general improvement in sentiment driven by short-term changes in commodity prices – in particular the upward trend in the spot and futures prices for gold, silver and copper. Management is of the opinion that this upward price trend for metals is likely to continue and in order to capitalize on it, is planning to focus on managing costs; improving shareholder communications; optioning its mineral properties and seeking valuable projects to acquire.

As work progresses on the Garrison Property, we anticipate an increase in news that could positively influence the market sentiment toward our Company. The Garrison Property hosts a promising exploration target with the potential to be developed into a successful gold operation. ValGold intends to deliver news of the progress of the exploration work as expeditiously and accurately as possible.

ValGold plans to review its Tower Mountain property and to evaluate various strategies for that asset, including seeking a new optionor for the property, seeking new financing for continuing the exploration work and sale of the asset.

Management is also considering possible transactions that could result in one or more new property acquisitions, a business combination and alternative financings.

1.8 Off-Balance Sheet Arrangements

None.

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1.9 Transactions with Related Parties

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

1.10 Fourth Quarter Results

Not applicable.

1.11 Proposed Transactions

There are no proposed asset or business acquisitions or dispositions before the board of directors for consideration other than those in the ordinary course of business or as described in item 1.2 above.

1.12 Critical Accounting Estimates

As at January 31, 2010, the Company was a venture issuer. Management prepares and reviews estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates may include the determination of impairment of equipment and mineral property interests, investments, reclamation obligations, rates of amortization, securities issued for non-cash consideration, allocating proceeds from issuance of units to the component securities and future income taxes. The use of such judgment includes, but is not limited to future mineral prices and project capital, and operating and reclamation costs. Actual results could differ from those estimated.

The Company's recoverability of the recorded value of its mineral properties is based on market conditions for minerals, independent NI 43-101 reports of the underlying mineral resources associated with mineral property interests held by the Company, transactions entered into on the Tower Mountain and Garrison properties and any future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, the ability of the Company and its subsidiaries to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof. The Company is continually reviewing its mineral property interests and write-downs are taken on a timely basis when the Company believes that there is no recoverability of the recorded value of its mineral properties, or no further exploration activity is planned, when the mineral property interest is written down to a nominal carrying value of \$1 or written off if the mineral property interest is not in good standing.

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 consequences to date on its operations in Venezuela or Canada, but general mining market conditions have deteriorated, resulting in a decrease in the price of the Company's common shares subsequent to the year-end, 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 result in further mineral property write-downs. Such write-down amounts could be material.

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1.13 Critical accounting policies and changes in accounting policies

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.

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

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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 acquisitions that may be made in periods subsequent to the date of adoption.

(d) International Financial Reporting Standards

In 2006, the 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 July 31, 2011. While the Company has begun assessing the adoption of IFRS for fiscal 2011, the financial reporting impact of the full transition to IFRS is not expected to have a significant effect on the Company's financial statements.

1.14 Risk management

Currency risk

The Company's currency risk arises primarily with fluctuations in United States dollar and the Venezuelan bolivar. The Company has no revenue and any exposure to currency risk is related to expenditures by the Company in United States dollars or the Venezuelan bolivar, as the majority of operating expenses are payable in Canadian dollars. The currency risk by the Company relates to unpaid liabilities of the Company payable in United States dollars or Venezuelan bolivars.

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

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changes in the Venezuelan bolivar, as a significant portion of its accrued liabilities are in Venezuelan bolivars.

1.15 Other MD&A Requirements

See the Company's interim unaudited consolidated financial statements for the three and six months ended January 31, 2010 and 2009.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

1.15.2 Additional Disclosure for Venture Issuers without Significant Revenue

- (a) capitalized or expensed exploration and development costs

The required disclosure is presented in the schedule of exploration expenses attached to the interim consolidated financial statements.

- (b) expensed research and development costs

Not applicable.

- (c) deferred development costs

Not applicable.

- (d) general administrative expenses

The required disclosure is presented in the Interim Consolidated Statements of Operations.

- (e) any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d).

None.

1.15.3 Disclosure of Outstanding Share Data

The following details the share capital structure (post-consolidation) as of March 31, 2010 (share consolidation was effective March 1, 2010), the date of this MD&A, subject to minor accounting adjustments:

Outstanding share information at March 31, 2010

Authorized Capital

Unlimited number of common shares without par value.

Issued and Outstanding Capital

26,418,407 common shares are issued and outstanding

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Stock Options Outstanding

| Number of Options | Exercise Price (\$) | Expiry Dates |
|-------------------|---------------------|-------------------|
| 241,000 | 1.25 | January 25, 2011 |
| 20,000 | 1.25 | July 18, 2011 |
| 90,000 | 1.25 | December 20, 2012 |
| 112,000 | 1.25 | November 14, 2013 |
| 320,000 | 1.75 | April 12, 2012 |
| 30,000 | 3.10 | June 20, 2012 |
| 813,000 | | |

Warrants Outstanding

| Number of Warrants | Exercise Price | Expiry Dates |
|--------------------|----------------|-------------------|
| 861,200 | \$1.00 | July 4, 2010 |
| 4,800 | \$1.00 | July 4, 2010 |
| 588,400 | \$1.00 | July 24, 2010 |
| 4,000 | \$1.00 | July 24, 2010 |
| 293,500 | \$0.25 | September 3, 2011 |
| 4,463,500 | \$0.25 | March 3, 2015 |
| 6,215,400 | | |

Other Information

The President and Chief Executive Officer and the Chief Financial Officer of ValGold Resources Ltd., have reviewed the interim consolidated financial statements and interim MD&A, of ValGold Resources Ltd. (the “issuer”) for the three and six months ended January 31, 2010.

Based on their knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.

Note to Reader

In contrast to the certificate required under National Instrument 52-109 *Certificate of Disclosure in Issuers’ Annual and Interim Filings* (“NI 52-109”), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

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The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Approval

The Board of Directors of ValGold Resources Ltd. has approved the disclosure contained in the Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedar.com.

Caution on Forward-Looking Information

This Interim MD&A contains "forward-looking statements". These forward-looking statements are made as of the date of this Interim MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements may include, but are not limited to, statements with respect to future remediation and reclamation activities, future mineral exploration, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing of activities and the amount of estimated revenues and expenses, the success of exploration activities, permitting time lines, requirements for additional capital and sources and uses of funds.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of exploration activities; actual results of remediation and reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other commodities; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration and development activities.