

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 NINE MONTHS ENDED APRIL 30, 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 April 30, 2010 and July 31, 2009

(Unaudited – prepared by management)

	April 30, 2010	July 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 236,753	\$ 10,892
Accounts receivable and prepaids	113,141	18,208
Marketable securities (Note 6)	--	88,690
	349,894	117,790
Investments (Note 6)	350,001	--
Buildings and equipment (Note 7)	41,237	52,862
Mineral property interests (Note 5)	1,640,710	1,757,882
	\$ 2,381,842	\$ 1,928,534
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 771,417	\$ 965,201
Due to related parties (Note 9)	506,288	574,756
	1,277,705	1,539,957
Shareholders' equity		
Share capital (Note 8 (b))	52,446,862	51,610,414
Warrants	283,225	386,642
Contributed surplus	3,539,497	3,295,707
Accumulated other comprehensive loss	196,875	--
Deficit	(55,362,322)	(54,904,186)
	1,104,137	388,577
	\$ 2,381,842	\$ 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 nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

	Three months ended April 30,		Nine months ended April 30,	
	2010	2009 (restated)	2009	2009 (restated)
Expenses				
Amortization	\$ 1,790	\$ 3,118	\$ 7,024	\$ 9,568
Exploration costs (Note 13)	23,530	10,048	120,197	317,034
Foreign exchange	1,098	(8,081)	41	63,594
Interest and finance charges	5,869	9,845	10,239	39,192
Legal, accounting and audit	14,058	35,588	46,058	67,844
Management and consulting fees	33,000	9,374	48,000	42,374
Office and administration	2,529	16,534	41,927	194,618
Salaries and benefits	72,861	106,440	227,992	345,771
Shareholder communications	32,450	9,862	69,250	56,187
Stock-based compensation	--	--	--	13,970
	187,185	192,728	570,728	1,150,152
Interest and other income	--	--	(14,910)	(525)
Recovery of bad debt	--	--	(64,005)	--
Recovery in excess of mineral property acquisition costs	--	--	(57,012)	--
Impairment write-down on marketable securities	--	--	23,335	--
Write-off of equipment	--	11,346	--	37,460
Realized loss on investments	--	83,934	--	113,054
Loss for the period	(187,185)	(288,008)	(458,136)	(1,300,141)
Deficit, beginning of period	(55,175,137)	(54,993,371)	(54,904,186)	(53,981,238)
Deficit, end of period	\$(55,362,322)	\$(55,281,379)	\$(55,362,322)	\$(55,281,379)
Loss per share, basic	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.07)
Weighted average number of common shares outstanding – basic and diluted	26,521,490	17,974,967	22,958,552	17,970,022

Statement of Comprehensive Income

(Unaudited – prepared by management)

	Three months ended April 30,		Nine months ended April 30,	
	2009	2009 (restated)	2010	2009 (restated)
Loss for the period before comprehensive loss	\$ (187,185)	\$ (288,008)	\$ (458,136)	\$ (1,300,141)
Change in unrealized loss on investments	(87,500)	(4,675)	196,875	(104,830)
Realized loss on investments	--	83,934	--	113,054
Comprehensive loss	\$ (274,685)	\$ (208,749)	\$ (261,261)	\$ (1,291,917)

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 nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

	Common Shares Without Par Value		Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount					
Balance, July 31, 2008 (restated)	17,924,967	\$ 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	50,000	25,000	--	--	--	--	25,000
Shares issued for debt	3,979,940	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	21,954,907	51,610,414	386,642	3,295,707	(54,904,186)	--	388,577
Shares issued for other							
Finder's shares	268,500	45,645	--	--	--	--	45,645
Change in investments for the period	--	--	--	--	--	196,875	196,875
Warrants expired, unexercised	--	--	(243,790)	243,790	--	--	--
Private placement, less share issue costs	6,000,000	790,803	140,373	--	--	--	931,176
Loss for the period	--	--	--	--	(458,136)	--	(458,136)
Balance, April 30, 2010	28,223,407	\$ 52,446,862	\$ 283,225	\$ 3,539,497	\$ (55,362,322)	\$ 196,875	\$ 1,104,137

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 nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

	Three months ended April 30,		Nine months ended April 30,	
	2010	2009 (restated)	2009	2009 (restated)
Cash provided by (used for):				
Operations				
Loss for the period	\$ (187,185)	\$ (288,008)	\$ (458,136)	\$(1,300,141)
Items not involving cash				
Amortization	3,323	3,118	11,625	9,568
Stock-based compensation	--	--	--	16,902
Loss on investments	--	83,934	23,335	113,054
Recovery of bad debt	--	--	(64,005)	--
Gain on recovery of mineral property	--	--	(57,012)	--
Write-down of equipment	--	11,346	--	37,460
Changes in non-cash working capital				
Accounts receivable and prepaids	(82,255)	8,982	(109,743)	100,658
Due to/from related parties	--	112,736	--	597,686
Accounts payable and accrued liabilities	(236,459)	28,099	(193,784)	154,990
	(502,576)	(37,793)	(847,720)	(269,823)
Investing activities				
Mineral property acquisition costs	(3,480)	(730)	(3,942)	(2,232)
Proceeds from mineral property option	--	--	25,000	--
Sale of marketable securities	--	36,849	65,355	36,849
	(3,480)	36,119	86,413	34,617
Financing activities				
Common shares and warrants issued for cash	550,921	--	976,821	--
Due from related parties	(147,023)	24,000	(68,468)	24,000
Recovery of bad debt expense	--	--	78,815	--
	403,898	24,000	987,168	24,000
Increase (decrease) in cash during the period	(102,158)	20,325	225,861	(211,206)
Cash, beginning of period	338,911	4,954	10,892	236,485
Cash, end of period	\$ 236,753	\$ 25,279	\$ 236,753	\$ 25,279

Supplementary cash flow information (Note 9)

See accompanying notes to consolidated financial statements

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 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 April 30, 2010, the Company has no source of operating cash flow and an accumulated deficit of \$55,362,322 (July 31, 2009 - \$54,904,186). At April 30, 2010, the Company has a working capital deficiency of \$972,811 (July 31, 2009 - \$1,422,167). Operations for the period ended April 30, 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 nine months ended April 30, 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 are free-trading. 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

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VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

2. Basis of presentation

The accompanying financial statements for the interim periods ended April 30, 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 April 30, 2009, interim consolidated financial statements is as follows:

	As Previously Reported	Restatement	As Restated
Mineral properties interests at April 30, 2009	\$ 8,094,865	\$ (6,361,983)	\$ 1,732,882
Deficit at April 30, 2009	48,919,396	6,361,983	55,281,379
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 nine months ended April 30, 2009			
Exploration expenses	--	(317,034)	(317,034)
Write-down of equipment	--	(37,460)	(37,460)
Write-down of mineral property interests	(3,468,193)	3,468,193	--
Loss for the nine months ended April 30, 2009	(4,413,840)	3,113,699	(1,300,141)
Loss per share for the nine months ended April 30, 2009	\$(0.25)	\$0.18	\$(0.07)
Cumulative changes in deficit and mineral property interests		6,361,983	
Change in cumulative deficit, restated, April 30, 2009	\$ 48,919,396	\$ 6,361,983	\$ 55,281,379

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VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 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 April 30, 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 has no non-controlling interest income as of April 30, 2010.

(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 nine months ended April 30, 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 the Company's 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)	April 30, 2010
Garrison Project (a)	\$ 121,113	\$ (121,113)	\$ --
Tower Mountain (b)	314,211	3,941	318,152
Venezuela Properties (c)	1,322,558	--	1,322,558
	\$ 1,757,882	\$ (117,172)	\$ 1,640,710

(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 nine months ended April 30, 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.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 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 25,000 common shares at a market price of \$1.00, 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 considers the agreement with HMZ to be terminated and is reviewing 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 1,000,000 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 3,002,889 common shares, with a fair value of US\$5,000,000. The number was calculated based on a per share amount equal to US\$1.00 plus one-half of the difference between US\$1.00 and the average closing price (as restated) 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\$1.00.

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 253,015 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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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 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 \$1,640,710 at April 30, 2010. Such write-down amounts could be material.

6. Marketable securities and investments

	Number of Shares	Book Value April 30, 2010	Fair Value April 30, 2010	Fair Value July 31, 2009
Emgold Mining Corporation (Note 8 (f))	40,000	\$ --	\$ --	\$ 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	350,001	--
Total Investments		\$ 153,126	\$ 350,001	\$ --
Total		\$ 153,126	\$ 350,001	\$ 88,690

During the nine months ended April 30, 2010, the Company sold 507,000 common shares of Brigadier Gold Ltd., 665,000 common shares of Sultan Minerals Inc. and 40,000 common shares of Emgold Mining Corporation for net proceeds of \$65,355.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

7. Buildings and equipment

	Cost	Accumulated Amortization	Net Book Value April 30, 2010	Cost	Accumulated Amortization	Net Book Value July 31, 2009
Vehicles	\$ 21,449	\$ 21,449	\$ --	\$ 21,449	\$ 21,449	\$ --
Office equipment	30,715	28,693	2,022	30,715	27,614	3,101
Buildings	61,339	23,304	38,035	61,339	18,704	42,635
Computer equipment	18,626	17,633	993	18,626	14,069	4,557
Field equipment	53,282	53,095	187	53,282	50,713	2,569
	\$ 185,411	\$ 144,174	\$ 41,237	\$ 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.

At the Annual and Special General Meeting of its shareholders held on February 3, 2010, the shareholders approved a special resolution to alter the Company's authorized share structure by consolidating all of the issued and outstanding common shares without par value, of which 21,954,907 post-consolidation common shares were issued, based on 109,774,536 pre-consolidation common shares issued on March 1, 2010, and a consolidation on the basis of five (5) pre-consolidation common shares to one (1) post-consolidation common share, after adjusting for rounding, or 21,954,907 common shares. All periods presented have been retroactively adjusted to reflect this reverse split.

During the nine months ended April 30, 2010, the Company completed a private placement in two tranches of 6,000,000 Subscription Receipts at a price of \$0.17, for gross proceeds of \$1,020,000, which converted to 6,000,000 units comprised of one common share and one share purchase warrant, immediately upon closing. The share consolidation 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.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2010 and 2009

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8. Share capital (continued)

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. The value allocated to each of the warrants using a modified B-S calculation with a volatility factor of 75% to 125% and a risk-free rate of 1% ranges from \$0.01 to \$0.02 per warrant.

(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. At April 30, 2010, the plan allows for the issue of up to 2,822,341 stock options

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

	Options	Weighted Average Exercise Price
Balance, July 31, 2009	828,000	\$1.51
Less forfeitures and cancellations	135,000	\$1.42
Balance, April 30, 2010	693,000	\$1.53
Exercisable, April 30, 2010	693,000	\$1.53

During the nine months ended April 30, 2010, 88,000 stock options exercisable at \$1.25 with expiry dates from January 25, 2011, to November 14, 2013, and 47,000 stock options exercisable at \$1.75 until April 12, 2012, were forfeited.

The following table summarizes information about the stock options outstanding at April 30, 2010:

Number Outstanding at April 30, 2010	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
204,000	0.7 years	\$1.25
20,000	1.2 years	\$1.25
70,000	2.6 years	\$1.25
89,000	3.5 years	\$1.25
280,000	2.0 years	\$1.40
30,000	2.1 years	\$3.10
693,000	1.9 years	\$1.53

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.

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

VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

8. Share capital (continued)

(d) Warrants

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

	Warrants	Weighted Average Exercise Price
Balance, July 31, 2009	2,107,000	\$1.58
Issued	6,562,000	\$0.25
Expired, unexercised	(648,600)	(2.89)
Balance, April 30, 2010	8,020,400	\$0.39

As at April 30, 2010, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
866,000	\$1.00	July 4, 2010
592,400	\$1.00	July 24, 2010
4,463,500	\$0.25	March 3, 2015
1,805,000	\$0.25	April 13, 2015
293,500	\$0.25	September 3, 2011
8,020,400	\$0.39	

During the nine months ended April 30, 2010, 566,700 warrants priced at \$3.00; 54,600 warrants priced at \$1.40, and 27,300 warrants priced at \$3.00, 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.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

9. Related party transactions and balances

Services provided by:	Nine months ended April 30,	
	2010	2009
Glencoe Management Ltd. (c)	\$ --	\$ 19,874
Quorum Management and Administrative Services Inc. (a and d)	354,636	394,012
Kent Avenue Consulting Ltd. (d)	22,500	22,500
Balances payable to		
Quorum Management and Administrative Services Inc. (a)	(38,336)	(85,778)
Officer and directors	(431,334)	(452,360)
Glencoe Management Ltd. (c)	(36,618)	(36,618)
Total balances payable	\$ (506,288)	\$ (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 April 30, 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 April 30, 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 \$22,500 (2009 - \$22,500) are paid or are payable indirectly to Kent Avenue Consulting Ltd., a private company controlled by a director, Sargent H. Berner. These fees are paid through Quorum, and are also included in the balance for ‘services provided by Quorum’. Any amount owing to Kent Avenue Consulting Ltd. is owed by Quorum, and so is included in the net payable to Quorum.
- (e) Balances receivable from related parties are non-interest bearing and due on demand.
- (f) The Company’s investments 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.

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

VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 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 April 30, 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.

	April 30, 2010
United States dollars	
Cash and cash equivalents	55,276
Accounts payable and accrued liabilities	(276,002)
Venezuelan bolivars	
Cash and cash equivalents	17,653
Accounts payable and accrued liabilities	(304,562)

Based on the above net exposures at April 30, 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 \$22,073 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 \$28,691 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 nine months ended April 30, 2010 and 2009, the Company conducted non-cash investing and financing activities as follows:

	Three months ended		Nine months ended	
	April 30,		April 30,	
	2010	2009	2010	2009
		(restated)		(restated)
Shares received related to mineral property interests	\$	--	\$	--
Shares issued for finders' fees	\$	45,645	\$	45,645

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

VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three and nine months ended April 30, 2010 and 2009

(Unaudited – prepared by management)

12. Subsequent events

Subsequent to April 30, 2010, the Company granted 2,040,000 stock options to directors, officers and consultants at \$0.20, with an expiry date of May 13, 2015. The exercise price of 693,000 stock options was changed to \$0.19 on the same date, with no change to the original expiry dates of the grants. The re-pricing was done pursuant to shareholder approval at the Company's annual general meeting held in February 2010:

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

VALGOLD RESOURCES LTD.

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Note 13: Exploration expenses

Nine months ended April 30, 2010

(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Total Exploration Costs April 30, 2010
Exploration and development costs					
Incurred during the period					
Geological and geophysical	--	3,170	52	--	3,222
Land and property taxes	--	91,019	--	--	91,019
Site activities	1,875	14,606	11	6,181	22,673
Travel and accommodation	--	3,283	--	--	3,283
Total expenses, April 30, 2010	\$ 1,875	\$ 112,078	\$ 63	\$ 6,181	\$ 120,197

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

Nine months ended April 30, 2009

(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Guyana Properties, Guyana	Total Exploration Costs, April 30, 2009
Cumulative exploration expenses						
April 30, 2009, as previously reported	\$ 2,668,623	\$ --	\$ 2	\$ 3,693,358	\$ --	\$ 6,361,983
Adjustments	(2,668,623)	--	(2)	(3,693,358)	--	(6,361,983)
Restated, April 30, 2009	--	--	--	--	--	--
Exploration and development costs						
Incurred during the period						
Assays and analysis	--	--	--	52	8,323	8,375
Geological and geophysical	1,165	29,349	134	(1,227)	(152)	29,269
Land and property taxes	--	133,113	--	--	--	133,113
Site activities	2,038	111,675	40	8,715	17,857	140,325
Stock-based compensation	--	2,382	--	612	(59)	2,935
Travel and accommodation	--	3,017	--	--	--	3,017
Total expenses, April 30, 2009	\$ 3,203	\$ 279,536	\$ 174	\$ 8,152	\$ 25,969	\$ 317,034

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

VALGOLD RESOURCES LTD.

(an exploration stage company)

Note 13: Exploration expenses

(Unaudited – prepared by management)

Year ended July 31, 2009

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