

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

VALGOLD RESOURCES LTD.
(an exploration stage company)
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2010
(Unaudited – prepared by management)

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

VALGOLD RESOURCES LTD.

(an exploration stage company)

Consolidated Balance Sheets

As at October 31, 2010 and July 31, 2010

(Unaudited – prepared by management)

	October 31, 2010	July 31, 2010
Assets		
Current assets		
Cash	\$ 270,051	\$ 116,725
Accounts receivable and prepaids	47,206	79,011
Investments (Note 4)	764,501	415,626
	1,081,758	611,362
Buildings and equipment (Note 5)	36,553	38,631
Mineral property interests (Note 3)	343,648	343,153
	\$ 1,461,959	\$ 993,146
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 721,713	\$ 751,887
Due to related parties (Note 7)	579,213	565,647
	1,300,926	1,317,534
Shareholders' equity		
Share capital (Note 6 (b))	52,491,190	52,491,190
Warrants	98,250	98,250
Contributed surplus	4,006,333	4,006,333
Accumulated other comprehensive income	564,553	226,625
Deficit	(56,999,293)	(57,146,786)
	161,033	(324,388)
	\$ 1,461,959	\$ 993,146

Going concern (Note 1)

Subsequent event (Note 10)

Commitments (Note 3 (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 months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

	2010	2009
Expenses (recoveries)		
Amortization	\$ 543	\$ 2,928
Exploration costs (Note 11)	49,473	176,931
Foreign exchange loss	(1,989)	4,186
Interest expense	575	2,294
Legal, accounting and audit	22,555	16,000
Consulting fees (Note 7)	7,500	7,500
Office and administration (Note 7)	19,325	18,109
Salaries and benefits	63,885	63,414
Shareholder communications	4,931	1,402
	166,798	292,764
Recovery in excess of mineral property acquisition costs	(200,000)	(57,012)
Gain on sale of marketable securities	(62,575)	--
Impairment write-down on marketable securities	--	23,335
Interest income	--	(100)
Income (loss) before income taxes	95,777	(258,987)
Income taxes - current	(9,269)	--
- future income taxes	60,985	--
	51,716	--
Income (loss) for the period	147,493	(258,987)
Deficit, beginning of period	(57,146,786)	(54,904,186)
Deficit, end of period	\$ (56,999,293)	\$ (55,163,173)
Earnings (loss) per common share – basic and diluted	\$ 0.01	\$ (0.02)
Earnings (loss) per common share – basic and diluted	\$ 0.00	\$ (0.02)
Weighted average number of common shares – basic	28,223,407	10,977,454
Weighted average number of common shares – diluted	30,956,407	10,977,454

Statement of Comprehensive Income (loss)

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

	2010	2009
Income (loss) for the period before comprehensive income	\$ 147,493	\$ (258,987)
Unrealized gain on available-for-sale investments, less future income taxes of \$60,985	420,850	87,500
Realized gain on disposition of investments	45,000	--
Comprehensive loss	\$ 613,343	\$ (171,487)

See accompanying notes to consolidated financial statements.

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VALGOLD RESOURCES LTD.

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Consolidated Statements of Shareholders' Equity

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

	Common Shares Without Par Value		Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity (Deficiency)
	Shares	Amount					
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	48,330	--	--	--	--	48,330
Stock-based compensation				323,984	--	--	323,984
Change in investments for the year	--	--	--	--	--	262,500	262,500
Future income tax related to investments	--	--	--	--	--	(35,875)	(35,875)
Warrants expired, unexercised	--	--	(386,642)	386,642	--	--	--
Private placement, less share issue costs	6,000,000	832,446	98,250	--	--	--	930,696
Loss for the year	--	--	--	--	(2,242,600)	--	(2,242,600)
Balance, July 31, 2010	28,223,407	52,491,190	98,250	4,006,333	(57,146,786)	226,625	(324,388)
Change in investments for the period	--	--	--	--	--	443,913	443,913
Future income tax related to investments	--	--	--	--	--	(60,985)	(60,985)
Realized gains on disposition of investments	--	--	--	--	--	(45,000)	(45,000)
Earnings (loss) for the period	--	--	--	--	147,493	--	147,493
Balance, October 31, 2010	28,223,407	\$ 52,491,190	\$ 98,250	\$ 4,006,333	\$ (56,999,293)	\$ 564,553	\$ 161,033

See accompanying notes to consolidated financial statements.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Consolidated Statements of Cash Flows

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

	2010	2009
Cash provided by (used for)		
Operations		
Earnings (loss) for the period	\$ 147,493	\$ (258,987)
Items not involving cash		
Amortization and amortization in site activities	2,078	4,464
Stock-based compensation	--	--
Gain on sale of marketable securities	(62,575)	--
Future income tax recovery	(51,716)	--
Impairment write-down on marketable securities	--	23,335
Recovery in excess of mineral property acquisition costs	(200,000)	(57,012)
Changes in non-cash operating working capital		
Accounts receivable and prepaids	31,805	(9,207)
Accounts payable and accrued liabilities	(30,174)	176,172
Due to/from related parties	13,566	--
	(149,523)	(121,235)
Investments		
Mineral property interests		
Acquisition costs	(495)	(461)
Proceeds from sale of marketable securities	103,344	--
Proceeds from mineral property option	200,000	25,000
	302,849	24,539
Financing		
Related party advances	--	117,173
	--	117,173
Increase in cash during the period	153,326	20,477
Cash, beginning of period	116,725	10,892
Cash, end of period	\$ 270,051	\$ 31,369

Supplementary cash flow information (Note 11)

See accompanying notes to consolidated financial statements.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

1. Nature of operations and going concern uncertainty

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

The accompanying consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern. Several adverse conditions as set out below cast significant doubt on the validity of this assumption. At October 31, 2010, the Company has no source of operating cash flow and an accumulated deficit of \$56,999,293 (July 31, 2010 - \$57,146,786). At October 31, 2010, the Company has a working capital deficiency of \$219,168 (July 31, 2010 - \$706,172). Operations for the period ended October 31, 2010, were funded primarily from the sale of shares of marketable securities, the use of cash on hand, 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 current financial equity market conditions and the challenging funding environment make it difficult to raise funds by private placements of shares. It is dependent upon the continuing financial support of related parties 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 (See Notes 4 and 10), 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, or on terms acceptable to the Company.

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

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

2. Basis of presentation

The accompanying financial statements for the interim periods ended October 31, 2010 and 2009 are prepared on the basis of accounting principles generally accepted in Canada and are unaudited, but in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for fair presentation of the financial position, operations and changes in financial results for the interim periods presented. The financial statements for the interim periods are not necessarily indicative of the results to be expected for the full year. These interim consolidated financial statements do not contain all of the information required for annual financial statements and should be read in conjunction with the most recent annual audited consolidated financial statements for the year ended July 31, 2010.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

3. Mineral property interests

Detailed exploration expenditures incurred in respect to the Company's mineral property interests owned, leased or held under option are disclosed in Note 15. Property payments made on the Company's mineral property interests during the three months ended October 31, 2010, are included in the property descriptions below.

Year ended October 31, 2010	Opening Balance	Incurred	(Recoveries)	Closing Balance
Tower Mountain Property, Ontario (b)	\$ 343,152	\$ 495	\$ --	\$ 343,647
Venezuela Properties, Venezuela (c)	1	--	--	1
Garrison Property, Ontario (a)	--	--	(200,000)	--
Total Acquisition Costs	\$ 343,153	\$ 495	\$ (200,000)	\$ 343,648

Year ended July 31, 2010	Opening Balance	Incurred	(Recoveries)	Closing Balance
Tower Mountain Property, Ontario (b)	\$ 314,211	\$ 28,941	\$ --	\$ 343,152
Venezuela Properties, Venezuela (c)	1,322,558	(1,322,557)	--	1
Garrison Property, Ontario (a)	121,113	--	(121,113)	--
Total Acquisition Costs	\$ 1,757,882	\$ (1,293,616)	\$ (121,113)	\$ 343,153

(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 year ended July 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. The Company received \$25,000 in cash and 2,187,500 common shares for the first payment of \$200,000. 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. During the three months ended October 31, 2010, the Company received the second option payment of \$200,000 in cash.

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

3. Mineral property interests (continued)

(b) Tower Mountain Project, Ontario

In June 2002, the Company entered into an option agreement with two optionors to earn a 100% interest in the Tower Mountain Gold Property located in north western Ontario. The Company earned its interest by making cash payments of \$220,000 and completing \$1,000,000 in exploration expenditures on the property over a four-year period. Commencing in 2008, an annual pre-production royalty of \$25,000 in cash or shares is payable, ending on commencement of production. On August 27, 2008, the Company issued 250,000 common shares at a market price of \$0.10, as payment for the initial royalty payment. The Company also acquired a building on the property at a cost of \$25,000. The property is subject to a 2.5% NSR on production which may be reduced to 1.5% by a payment to the optionors of \$1,000,000 at any time up to the commencement of commercial production. The pre-production royalty payments due in July 2009 and 2010 have not been paid, but will be paid when the Company has sufficient working capital.

(c) Venezuela Properties, Venezuela

On October 9, 2007, the Company completed the acquisition of 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"). Due to uncertainties about the Company's ability to actively explore and finance its Venezuelan exploration property interests at the current time, the Company has written down the mineral property interests to a nominal carrying value of \$1.

(d) Summary of property option payments due in fiscal 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 payment of cash or payment in common shares for a total of \$25,000 that is required to be issued in the year ending July 31, 2011, in addition to the payments due in July 2009 and 2010 totalling \$50,000 which have not been paid on the Tower Mountain property.

4. Investments

	Number of Shares	Cost October 31, 2010	Fair Value October 31, 2010
Northern Gold Mining Inc.	1,737,500	\$ 121,625	\$ 764,500
Total	1,737,500	\$ 121,625	\$ 764,500

	Number of Shares	Cost July 31, 2010	Fair Value July 31, 2010
Northern Gold Mining Inc.	2,187,500	\$ 153,126	\$ 415,625
Total	2,187,500	\$ 153,126	\$ 415,625

During the three months ended October 31, 2010, the Company sold 450,000 shares of Northern Gold for net proceeds of \$103,344

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(an exploration stage company)

Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

4. Investments (continued)

Subsequent to October 31, 2010, the Company sold 200,000 shares of Northern Gold for net proceeds of \$85,387.

The Company also holds one share of Quorum Management and Administrative Services Ltd. at a cost of \$1.

5. Buildings and equipment

	Cost	Accumulated Amortization	October 31, 2010 Net Book Value	Cost	Accumulated Amortization	July 31, 2010 Net Book Value
Vehicles	\$ 21,449	\$ 21,449	\$ --	\$ 21,449	\$ 21,449	\$ --
Office equipment	30,715	29,408	1,307	30,715	29,049	1,666
Buildings	61,339	26,373	34,966	61,339	24,838	36,501
Computer equipment	18,626	18,346	280	18,626	18,162	464
Field equipment	53,282	53,282	--	53,282	53,282	--
	\$ 185,411	\$ 148,858	\$ 36,553	\$ 185,411	\$ 146,780	\$ 38,631

6. Share capital

(a) Authorized

Unlimited number of common shares without par value

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.

(b) Issued and fully paid

See consolidated statements of shareholders' equity.

(c) Stock options (see Consolidated Statements of Shareholders' Equity)

In January 2008, the shareholders approved a 10% rolling stock option plan as prescribed by the policies of the TSX Venture Exchange. The Company has a stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. Options generally vest immediately or over a two-year period, and have a maximum term of ten years. The plan currently allows for the issuance of up to 2,822,341 (July 31, 2010 – 2,822,341) stock options. The following table summarizes changes in the number of stock options outstanding:

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

6. Share capital (continued)

	Options	Weighted Average Exercise Price
Balance, October 31, 2010 and July 31, 2010	2,733,000	\$0.20
Exercisable at October 31, 2010 and July 31, 2010	2,733,000	\$0.20

Number Outstanding at October 31, 2010	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
204,000	0.2 years	\$0.19
20,000	0.7 years	\$0.19
280,000	1.5 years	\$0.19
30,000	1.6 years	\$0.19
70,000	2.1 years	\$0.19
89,000	3.0 years	\$0.19
2,040,000	4.5 years	\$0.20
2,733,000	3.7 years	\$0.20

(d) **Warrants** (See Consolidated Statements of Shareholders Equity)

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

	Warrants	Weighted Average Exercise Price
Balance, October 31, 2010 and July 31, 2010	6,562,000	\$0.25

As at October 31, 2010, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
4,463,500	\$0.25	March 3, 2015
1,805,000	\$0.25	April 13, 2015
293,500	\$0.25	September 3, 2011
6,562,000	\$0.25	

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

7. Related party transactions and balances

Services provided by:	Three months ended October 31,	
	2010	2009
Quorum Management and Administrative Services Inc. (a and d)	98,617	51,494
Kent Avenue Consulting Ltd. (c)	7,500	7,500

Balances payable to	October 31, 2010	July 31, 2010
Quorum Management and Administrative Services Inc. (a)	(92,802)	(56,415)
Officer and directors	(449,793)	(472,614)
Glencoe Management Ltd.	(36,618)	(36,618)
Total balances payable	\$ (579,213)	\$ (565,647)

- (a) Management, administrative, geological and other services have been provided by Quorum Management and Administrative Services Inc. ("Quorum"), formerly LMC Management Services Ltd. since August 1, 2001. Quorum is a private company held jointly by the Company and other public companies, providing services on a full cost recovery basis to the various public entities currently sharing office space with the Company. At October 31, 2010, the Company has a 1/3 interest in Quorum at a cost of \$1. There is no difference between the cost of \$1 and equity value. Three months of estimated working capital is required to be on deposit with Quorum under the terms of the services agreement, and at October 31, 2010, the Company did not have three months of fees advanced to Quorum.
- (b) Directors' fees are paid to non-executive directors on a quarterly basis and for meetings attended during the year. Directors' fees have been accrued but not paid since December, 2007, and since the third quarter of the year ended July 31, 2009, are no longer accrued, until such time as the Company is able to pay directors' fees.
- (c) Consulting fees of \$7,500 (2009 - \$7,500) are paid 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.
- (d) Transactions with related parties are recorded at their exchange values which are the amounts entered into and agreed by both parties.

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VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

8. Financial instruments

- 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 October 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.

	October 31, 2010	October 31, 2009
United States dollars		
Cash and cash equivalents	41,642	157
Accounts payable and accrued liabilities	(346,972)	(322,223)
Venezuelan bolivars		
Cash and cash equivalents	80	--
Accounts payable and accrued liabilities	(307,582)	(665,080)

Based on the above net exposures at October 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 \$30,533 (2009 - \$32,207) in the Company's loss from operations, and a 10% appreciation or depreciation of the Canadian dollar against the Venezuelan bolivar would result in an increase/decrease of \$30,750 (2009 - \$66,508) in the Company's loss from operations. The Company's exposure will primarily be due to changes in the Venezuelan bolivar, as a significant portion of its accrued liabilities are in Venezuelan bolivars.

9. Segmented information

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's principal operations are carried out in Canada and in Venezuela. All of the investment income is earned in Canada.

The Company's geographic segments by mineral property interests, equipment and other assets are as follows:

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VALGOLD RESOURCES LTD.

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Notes to Consolidated Financial Statements

Three months ended October 31, 2010 and 2009

(Unaudited – prepared by management)

9. Segmented information (continued)

October 31, 2010	Canada	Venezuela	Total
Mineral property interests	\$ 343,647	\$ 1	\$ 343,648
Equipment	\$ 38,553	\$ --	\$ 38,553
Other	\$ 1,079,758	\$ --	\$ 1,079,758
Total assets	\$ 1,461,958	\$ 1	\$ 1,461,959

July 31, 2010	Canada	Venezuela	Total
Mineral property interests	\$ 343,152	\$ 1	\$ 343,153
Equipment	\$ 38,631	\$ --	\$ 38,631
Other	\$ 611,362	\$ --	\$ 611,362
Total assets	\$ 993,145	\$ 1	\$ 993,146

10. Subsequent event

Subsequent to July 31, 2010, the Company announced a non-brokered private placement of 2,000,000 flow-through units at a price of \$0.30 per unit for gross proceeds of up to \$600,000. Each unit consists of one flow-through common share and one non-transferable non-flow-through share purchase warrant. Each warrant is exercisable for one additional non-flow-through common share for a period of two years from the date of issue at a price of \$0.50 per share.

A first tranche of 1,110,000 units totalling \$333,000 closed on November 23, 2010. Each unit consists of one flow-through common share and one non-transferable non-flow-through share purchase warrant. Each warrant is exercisable for one additional non-flow-through common share for a period of two years from the date of issue at a price of \$0.50 per share. Finders' fees of \$15,000 were paid in association with this portion of the offering, equal to 5.0% of the gross proceeds received from certain accredited investors found by the finder under the offering. In addition, the Company issued 50,000 finder's warrants which will entitle the finder to acquire that number of common shares of the Company, which is equal to 5.0% of the number of units sold to the accredited investors found by the finder pursuant to the offering. The finder's warrants are exercisable to purchase one common share of the Company at a price of \$0.30 at any time, and from time to time, on or before the date which is 24 months after the closing date, or November 23, 2012. All common shares and warrants are subject to a hold period and may not be traded for four months plus one day from the date of closing of the private placement, or March 24, 2011.

A second tranche of 1,441,000 units closed on December 20, 2010. Finders' fees of \$19,500 were paid in association with this portion of the offering, equal to 5.0% of the gross proceeds received from certain accredited investors found by the finder under the offering. In addition, the Company issued 65,000 finder's warrants which will entitle the finders to acquire that number of common shares of the Company, which is equal to 5% of the number of units sold to the accredited investors found by the finders pursuant to the offering. The finders' warrants are exercisable to purchase one common share of the Company at a price of \$0.30 at any time, and from time to time, on or before the date which is 24 months after the closing date, or December 21, 2012. All common shares and warrants are subject to a hold period and may not be traded for four months plus one day from the date of closing of the private placement, or April 21, 2011.

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Note 11: Exploration expenses

Three months ended October 31, 2010

(Unaudited – prepared by management)

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Garrison Property, Ontario	Total Exploration Expenses October 31, 2010
Exploration expenses				
Incurring during the period				
Land lease and property taxes	--	25,199	--	25,199
Site activities	726	22,680	868	24,274
Total expenses, October 31, 2010	\$ 726	\$ 47,879	\$ 868	\$ 49,473

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VALGOLD RESOURCES LTD.

(an exploration stage company)

Note 11: Exploration expenses

Three months ended October 31, 2009

(Unaudited – prepared by management)

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

VALGOLD RESOURCES LTD.

(an exploration stage company)

Note 15: Exploration Expenses

Year ended July 31, 2010

	Tower Mountain and Other, Ontario	Venezuelan Properties, Venezuela	Manitoba Properties	Garrison Property, Ontario	Exploration Expenses July 31, 2010
Exploration expenses					
Incurred and expensed to July 31, 2009	\$ 2,669,248	\$ 3,521,214	\$ 176	\$ 3,696,368	\$ 9,887,006
Incurred during the year					
Geological and geophysical	19,500	3,170	52	--	22,722
Land lease and property taxes	--	117,428	--	--	117,428
Site activities	2,500	40,392	11	7,090	49,993
Stock-based compensation (Note 7 (d))	--	16,081	--	--	16,081
Travel and accommodation	252	3,198	--	--	3,450
Exploration expense, year ended July 31, 2010	\$ 22,252	\$ 180,269	\$ 63	\$ 7,090	\$ 209,674
Cumulative exploration costs for mineral property interests held at July 31, 2010	\$ 2,691,500	\$ 3,701,483	\$ 239	\$ 3,703,458	\$ 10,096,680