

ValGold Resources Ltd.
Management Discussion and Analysis for the Three and Nine Months Ended
April 30, 2011

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1.1 Date

The effective date of this interim report is June 29, 2011.

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 years ended July 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 nine months ended April 30, 2011 (“fiscal 2011”) was \$482,622 or \$0.02 per share compared to a loss of \$458,136 or \$0.02 per share in the nine months ended April 30, 2010 (“fiscal 2010”).
- 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 with a fair value at January 31, 2010 of \$437,501. In fiscal 2011, the Company received \$200,000 on its option agreement with Northern Gold and sold 750,000 of its common shares of Northern Gold for a gain of \$162,552. At April 30, 2011 the Company held 1,437,500 shares of Northern Gold with a fair value of \$661,250.
- During fiscal 2011, cash used by operations was \$1,130,821, compared to \$847,720 used in fiscal 2010. Exploration expenses totalled \$404,545 in fiscal 2011 compared to \$120,197 in fiscal 2010. Exploration activities were incurred on the following mineral properties in fiscal 2011, with the comparative figures for fiscal 2010 in parentheses: Tower Mountain - \$309,744 (\$1,875), Venezuelan properties - \$92,116 (\$112,078), Manitoba properties - \$NIL (\$63); and the Garrison Property - \$2,685 (\$6,181).

At April 30, 2011, the Company had a working capital deficit of \$72,497, including \$544,350 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 to primarily be used to finance exploration activities on the Company’s Tower Mountain property.

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Although there are no assurances that management's plan will be realized, management believes the Company may 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 a portion of its investment in common shares of public companies, which have been used as a source of working capital.

1.2.1 Venezuela Acquisition

Due to uncertainties about the Company's ability to finance and actively explore its Venezuelan exploration properties at the current time, management determined that the carrying values of the Venezuelan properties are impaired. As a result the Company has written down the mineral property interests by \$1,322,557 to a nominal carrying value of \$1.

The Company is continuing to pursue all avenues with respect to exploration of its mineral property interests in Venezuela, including joint venture, disposition or other forms of financing.

Fiscal 2011 exploration expenditures with the comparative fiscal 2010 figures on the Venezuelan Properties include Geology - \$Nil (\$3,170), land lease and property taxes - \$69,103 (\$91,019), site activities - \$21,760 (\$14,606) and transportation - \$1,253 (\$3,283). The Company has curtailed all expenses in Venezuela, other than necessary accruals related to unpaid liabilities and nominal corporate maintenance costs.

1.2.2 Garrison Property, Ontario

ValGold held 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.'s 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 and a major splay, the Munro Fault Zone.

Fiscal 2011 exploration expenditures incurred by the Company before the transaction with Northern Gold (described below), with the comparative fiscal 2010 figures on the Garrison Property include site activities - \$2,685 (\$6,181).

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 as 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. During the six months ended January 31, 2011, the Company received \$200,000 in cash from Northern Gold, the second annual payment pursuant to the option agreement.

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

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next four years. Over the period from August 1, 2010, to June 29, 2011, the shares of Northern Gold traded in a range from \$0.11 to \$0.64.

On September 23, 2010, A.C.A. Howe International Limited (“Howe”) completed a mineral resource estimate for the Garrcon Deposit, which is part of the Garrison property. The estimate was completed in accordance with Canadian Securities Administration National Instrument 43-101 (“NI 43-101”) and CIM Standards on Mineral Resources and Reserves. The resource estimate, using a block cut-off grade of 0.5 g/t gold and a specific gravity of 2.6 g/cm³, reports an Indicated Resource of 3.78 million tonnes at a grade of 1.2 g/t containing 144,000 ounces of gold. An Inferred Resource of 18.5 million tonnes at a grade of 0.9 g/t containing 530,000 ounces gold is also reported. Adding the indicated and inferred resources above to the indicated and inferred resources reported for the Jonpol Deposit in the October 2009 Technical Report filed by Northern Gold on SEDAR October 21, 2009, brings total resources on the Garrison Gold Property to 207,000 ounces gold in the indicated category and 776,000 ounces gold in the inferred category.

ValGold and Northern Gold announced on April 7, 2011 that the companies had entered into a definitive agreement to consolidate 100% ownership of the Garrison Property. Under the terms of the agreement Northern Gold purchased ValGold's interest in the Garrison Option and Joint Venture Agreement, subject to closing and regulatory approval.

In consideration for this sale, ValGold received at the closing on Friday May 13th 2011:

- a cash payment of C\$325,000 and a promissory note for an additional C\$325,000 to be paid on or before August 13, 2011;
- 16 million common shares in Northern Gold ("Northern Gold Shares") giving ValGold aggregate ownership of approximately 14.8% of the issued and outstanding shares of Northern Gold on a non-diluted basis; and
- a 2% net smelter return royalty of which (i) half (i.e. 1%) can be acquired by Northern Gold for C\$5 million paid to ValGold at any time upon the earlier of thirty-six months following the date of closing and the commencement of commercial production, and (ii) the remaining 1% can be acquired for a further payment of C\$10 million at any time upon the earlier of seventy-two months following the date of closing and the commencement of commercial production.

For a period ending on the earlier of twenty-four months after closing or a change of control Northern Gold has a right to vote the Northern Gold Shares. In addition, Northern Gold has a right of first refusal to provide a buyer for any sale by ValGold in excess of 160,000 Northern Gold Shares in any calendar month.

At the time of closing the buy-out of the Garrison Option and Joint Venture Agreement, Northern Gold was in the second year of the option agreement. Northern Gold had made \$400,000 in payments to ValGold consisting of \$200,000 in cash and the issuance of 2.2 million in shares in satisfaction of the other \$200,000 payment obligation and had incurred over \$3,000,000 in exploration expenditures.

Prior to the closing of the buy-out of the Garrison Option and Joint Venture Agreement, ValGold owned a total of 1,437,500 common shares of Northern Gold. As a result of the sale, ValGold was issued 16.0 million common shares of Northern Gold for an aggregate holding of 17,437,500 common shares of Northern Gold representing approximately 14.7% of the 118,758,415 common shares issued and outstanding on a post-closing basis. ValGold acquired the common shares of Northern Gold for investment purposes, and has no current intention to increase the beneficial ownership of, or control or direction over, securities of Northern Gold.

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1.2.3 Tower Mountain Gold Project, Ontario

Tower Mountain Gold Project Summary

Exploration work by ValGold on the Tower Mountain Gold Property (the "Property") began in November 2002 and focused on diamond drilling. A total of nine drill programs comprising 88 drill holes, totalling 20,808m, have been completed to date. The majority of drilling was conducted in the vicinity of the U and V Trench areas (U/V Zone) and this work defined several mineralized structures. The most continuous of these structures is designated the Main Vein which dips moderately northeast and can be traced along strike for a minimum 400m. The Main Vein mineralized zone measures from 0.6m to 20.0m true width plunging steeply to the southeast. Drill intercepts from this zone returned assays ranging from 304.00 g/t Au over 3.0m in drill hole TM04-3 to 2.58 g/t Au over 55.5m in TM04-9.

Prior to 2011, drilling delineated additional zones of high-grade mineralization. The 04-31 Zone, located 800m southeast of the U/V Zone, appears similar to the U/V Main Vein. ValGold tested this target with two holes, with the best drill intercept returning 21.14 g/t Au over 1.5m. A hole drilled in 1996 by Avalon Ventures Limited in the vicinity of the 04-31 Zone was orientated sub-parallel to the zone and returned an average grade of approximately 0.3 g/t Au over its entire 739m length.

The third high-grade zone identified is the 04-36 Zone and is located 400m southwest of the U/V Zone. Two drill holes have intersected this zone. One hole documented 41.35 g/t Au over 1.5m and the second hole returned an assay of 5.31 g/t over 1.5m.

A NI 43-101 compliant resource estimate for the U/V Zone was compiled by Caracle Creek International Consulting Inc. of Sudbury, Ontario. The report dated February 9, 2006, is filed on SEDAR. The resource for the U-V estimated to consist of 150,000 ounces within a bulk mineable volume. The zone is open to expansion on strike to the SE and at depth.

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 has considered other options with respect to the Tower Mountain Gold Project, including further exploration by ValGold. The Company is conducting exploration using funds from a flow-through private placement completed in December 2010.

A review of past work on the Tower Mountain gold zones that include the above resource area and the 18 other surface occurrences was done with the intention to define and prioritize drill targets of the three drilled zones and possibly expand upon the present gold resources.

The Company's current drill program was designed to be completed in two rounds of which the initial round consisted of 13 holes for 2,100m. The first target was the 4-36 gold zone where ValGold's diamond drill hole TM 04-36 had a core-length intersection of 24.0m of 3.90 g/t Au within which a 1.5m length returned 41.35 g/t Au. The mineralization in the 4-36 gold zone is hosted within an intermediate tuffaceous unit that contains subangular volcanic and jasperitic rock fragments. The host commonly contains pyrite and may be modestly silicified. The three initial holes of the 2011 drill program TM 11-59, 60 and 61 targeted the 4-36 gold zone and the fourth hole, TM 11-61 targeted the broad zone of mineralization intersected in hole, TM-04-09 which returned 61.5m grading 2.40 g/t Au.

The scientific and technical information respecting the Tower Mountain Gold Project was reviewed by Robert Chataway, P.Geo, who is a Qualified Person as defined in National Instrument 43-101.

Highlights of the first stage of the 2011 drill results include:

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- TM-11-59 with 16.5m grading 1.136 g/t Au within the conglomerate unit
- TM-11-63 with 73.5m averaging 0.815 g/t Au with 0.04% Cu including an intersection of 21.0m assaying 1.76 g/t Au with 0.10% Cu
- TM-11-66 with 28.5m grading 0.779 g/t Au
- TM-11-67 with 87.0m grading 0.982 g/t Au
- TM-11-69 with 84.0m grading 0.535 g/t Au

ValGold commenced the Phase 2 drill program of 2,500m in May 2011. This program was designed to provide additional data and to better determine the dimensions of the wide intersection of low-grade gold mineralization encountered on the 31-Bench Zone, in Phase 1 of the 2011 drill program. The Phase 2 program includes two core holes targeting the near-surface and down-dip extension of the wide, low-grade gold mineralization beneath drill hole TM-11-64. Additional holes will then target the south-westerly extension of this wide gold zone.

04-36 Zone Results

The following is a report of the assay results for the first three holes (372m). Holes TM-11-59 to 61 (3) targeted the 04-36 Zone where previous gold results included 41.35 g/t Au over a width of 1.5m.

The best hole in 2011 returned gold mineralization over widths of up to 16.5 meters (core length) with a grade of 1.136 g/t Au in the conglomerate unit. The conglomerate has small fragments of jasper, volcanic rock and sulphide iron formation. The mineralized intersections are reported as core lengths because insufficient data is available to calculate true widths.

04-9 Zone Results

One hole, TM-11-62, was completed in 2011 to further define the 04-9 Zone. The previous mineralized intersections drilled in 2004 are thought to be near parallel to the NE strike of the zone. The current hole was thus drilled at a NW azimuth and intersected an 18.0m core length which graded 0.54 g/t Au. The hole deviated from its intended target and may need to be extended to test for mineralization at the bottom of the hole which ended at 274.0m.

The 04-9 Zone has displayed the potential for elevated gold content in a feldspar porphyry unit which has received limited drilling. The configuration of the zone is not yet understood at this time but results are encouraging and more drilling is warranted.

The sulphide mineralization accompanying the 04-9 Zone gold mineralization is of a low tenor and the arsenic analysis is usually less than 50ppm. This observation is based on historical records of multi-element analysis.

UV Zone Results

The UV Zone has been the primary target of the previous drill programs (2002-2007). In 2011, the aim of the one drill hole, TM-11-63 was to expand the wide, low-grade copper-gold mineralization beneath the gold resource. The best intersection in the current drilling is **0.815 g/t Au over a 73.5m** core length with a copper value of 0.04%. Included in this interval is a section 1.76 g/t Au with 0.10% Cu over 21.0m. Near the bottom of the hole there is an interval grading 1.75 g/t Au and 0.13% Cu over 9.0m starting at 356.0m. The host rock is a syenite, part of the Tower Mountain Intrusive Complex. The mineralization is open to the northeast and southeast where surface geophysical anomalies may indicate extensions of the zone.

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31-Bench Zone

The 31-Bench Zone comprises the former B-, C-, and D-Zones, located approximately 800m southeast of the UV Zone. Previous drilling on the 31-Bench Zone by ValGold and earlier operators confirmed wide intersections of low grade gold mineralization over a large area but the holes were widely spaced and at diverse azimuths. The eight holes (TM-11-64 to 71) targeting the Bench 31 Zone were drilled in parallel at approximately 60m spacing.

These drill holes provided good widths with encouraging values of 0.779 g/t Au over 28.5m, 0.982 g/t Au over 87.0m and 0.535 g/t Au over 84.0m. Intervals were calculated generally using a cutoff between 0.25 g/t to 0.30 g/t Au but may include short intervals of lesser grade.

The 31-Bench Zone gold mineralization is hosted within a trachy-andesite fragmental rock unit and a syenodiorite intrusive. Pyrite mineralization ranging from 1% to 10% is common in the core along with potassic alteration which has typically a reddish hue. The syeno-diorite lithologies are interpreted as dykes emanating from the main Tower Mountain Intrusive Complex. The fragmental changes to a more mafic composition towards the south as indicated in the last few holes. True width calculations of the intersections will require more geological information. A program of quality control and quality assurance of the sampling was undertaken with the insertion of blanks and standards in the regular stream of assay samples submitted for analysis. A check of the values did not find any irregularities in the Certificate of Analysis from Accurassay Laboratories.

1.2.4 Advance on Mineral Property Acquisition

During the quarter the Company expended 701,575 on property investigations in Central Europe. The expenditure was made primarily as a deposit respecting an application for a mining licence. The deposit was made to forward negotiations for an agreement concerning the potential acquisition of a prospective mineral property. The negotiations have been underway since March and are considered by management to be significantly advanced, however, the parties have yet to arrive at final terms on all aspects of the possible agreement.

1.2.5 Mineral Property Option Payments Due In the Twelve-Month-Period Ended April 30, 2012

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 was required to be issued in the twelve-month period ended July 31, 2010 on the Tower Mountain property that was paid in May, 2011. During the nine months ended January 31, 2011, ValGold received a cash payment of \$200,000 from Northern Gold, the annual option payment on the Garrison property option.

1.2.6 Market Trends

The 2009 gold price averaged US\$973 per ounce, and the average price for 2010 was US\$1,225, with an average price for 2011 of US\$1,445 to June 29, 2011.

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1.3 Results of Operations

	Three months ended April 30,		Nine months ended April 30,	
	2011	2010	2011	2010
Expenses				
Amortization	\$ 377	\$ 1,790	\$ 1,558	\$ 7,024
Exploration costs (Note 11)	235,476	23,530	404,545	120,197
Foreign exchange gain	(16,917)	1,098	(24,242)	41
Interest expense	--	5,869	580	10,239
Legal, accounting and audit	44,407	14,058	86,432	46,058
Management and consulting fees	14,000	33,000	29,000	48,000
Office and administration	39,444	2,529	81,728	41,927
Salaries and benefits	111,925	72,861	246,516	227,992
Shareholder communications	21,273	32,450	60,388	69,250
Stock-based compensation	136,008	--	136,008	--
Travel	53,597	--	58,105	--
	639,590	187,185	1,080,618	570,728
Interest income	--	--	--	(14,910)
Recovery of bad debt	--	--	--	(64,005)
Recovery in excess of mineral property acquisition costs	--	--	(200,000)	(57,012)
Realized gain on marketable securities	--	--	(162,552)	--
Impairment write-down on marketable securities	--	--	--	23,335
Loss for the period before income taxes	(639,590)	(187,185)	(718,066)	(458,136)
Income taxes – future income taxes	(--)	--	44,119	--
Loss for the period	(639,590)	(187,185)	(673,947)	(458,136)
Deficit, beginning of period	(57,181,143)	(55,175,137)	(57,146,786)	(54,904,186)
Deficit, end of period	\$(57,820,733)	\$(55,362,322)	\$(57,820,733)	\$(55,362,322)
Loss per share, basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	29,026,331	26,521,490	29,635,663	22,958,552

Nine months ended April 30, 2011, compared to nine months ended April 30, 2010

ValGold incurred a loss of \$482,622 or \$0.02 per common share in fiscal 2011, compared to a loss of \$458,136 or loss per share of \$0.02 in fiscal 2010.

Legal, accounting and audit expenses increased from \$46,053 in fiscal 2010 to \$86,432 in fiscal 2011. The increase in audit fees as well as legal expenses is attributable to various private financings and general corporate issues.

Consulting fees for fiscal 2011 of \$29,000 (2010 of \$15,000) is 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.

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Office and administration costs increased from \$41,927 in fiscal 2010 to \$81,728 in fiscal 2011. The office and administration costs include rent, shared office services and other costs. The Company shares services on a full cost recovery basis including rent, certain accounting and administrative salaries and overhead with three other public companies. Quorum Management and Administrative Services Inc. (“Quorum”), a private company held jointly by the Company and two other public companies, provides services to these public entities currently sharing office space and other services with the Company. The companies each hold a one-third interest in Quorum and also have certain common directors and are related parties of Emgold. The expense decreased compared with the previous period as a result of various fluctuations in other direct costs as a result of sharing of office space.

Salaries and benefits increased from \$227,992 in fiscal 2010 compared to \$246,516 in fiscal 2011. Salaries and benefits are primarily paid by Quorum.

Shareholder communications have decreased slightly from \$69,250 in fiscal 2010 to \$60,388 in fiscal 2011. 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 and 2011 for other than statutory requirements and maintenance costs.

Stock-based compensation of \$136,008 in fiscal 2011 relates to stock options granted at a price of \$0.31 with an expiry date of April 5, 2016. The stock option expense was calculated using a Black Scholes option valuation model, using a risk free rate of 2.44%, and expected life of 3.80 years, and an estimated volatility of 173.82%

The Company had securities with a fair value of \$65,355 at January 31, 2010, which were sold subsequent to the period end for net proceeds of \$65,355. The Company recorded an impairment write-down of \$23,335 in fiscal 2010. In fiscal 2011 the Company sold 750,000 of its shares in Northern Gold for a gain on disposition of \$162,552. The Company also received \$200,000 from Northern Gold in fiscal 2011, the second payment on the option agreement with Northern Gold on the Garrison Property. In fiscal 2010, the Company received \$25,000 and 2,187,500 common shares, which resulted in a gain of \$57,012, an amount in excess of the value of the Garrison Property that the Company had recorded at the time of receipt.

Exploration expenses of \$404,545 were incurred in fiscal 2011, compared with \$120,197 in fiscal 2010, primarily as a result of resuming activity on the Company’s Tower Mountain Project.

Three months ended April 30, 2011 (“Q3 2011”), compared to three months ended April 30, 2010 (“Q3 2010”)

Exploration costs increased from \$23,530 in fiscal 2010 compared to \$235,476. This increase is due partially to the exchange volatility of the Venezuelan bolivar and the Company resuming activities at its Tower Mountain gold project in north western Ontario.

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1.4 Summary of Quarterly Results (unaudited)

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

	Tower Mountain Ontario	Manitoba Claims, Manitoba	Garrison Property, Ontario	Venezuela Properties Venezuela
Fiscal 2009				
Fourth Quarter	25,625	--	3,010	88,982
Fiscal 2010				
First Quarter	625	--	908	175,398
Second Quarter	625	63	4,365	(78,731)
Third Quarter	625	--	908	15,411
Fourth Quarter	20,277	--	909	68,191
Fiscal 2011				
First Quarter	726	--	868	47,879
Second Quarter	66,903	--	909	51,784
Third Quarter	242,115	--	908	(7,547)

	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 2009							
Fourth Quarter	(348,368)	(0.00)	126,704	(586,696)	--	92,614	--
Fiscal 2010							
First Quarter	258,987	(0.01)	115,833	23,235	(57,012)	176,931	--
Second Quarter	11,964	(0.00)	171,043	(78,815)	--	(80,264)	--
Third Quarter	187,185	(0.01)	163,655	--	--	23,530	--
Fourth Quarter	1,784,464	(0.07)	100,662	(260)	1,322,557-	89,477	307,903
Fiscal 2011							
First Quarter	(147,493)	0.01	117,325	(62,575)	(200,000)	49,473	--
Second Quarter	181,850	(0.01)	154,714	(99,977)	--	119,596	--
Third Quarter	(639,590)	(0.02)	540,065	-	--	235,476	136,008

1.5 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 has relied on its ability to market its projects and the sale of shares of Northern Gold to 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

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refer to the “Financial Instruments and Risk Management” section of this document.

At April 30, 2011, the Company had a working capital deficit of \$72,497, compared to a working capital deficiency of \$706,172 at July 31, 2010, defined as current assets less current liabilities. The Company’s liabilities include amounts due to related parties of \$544,350, and other accounts payable and accrued liabilities of \$676,937. Accounts payable includes accruals of property taxes relating to its mineral property interests in Venezuela and costs relating to its previously held Guyana properties that remain unpaid.

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.

In fiscal 2010, 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. In fiscal 2010, the Company paid approximately \$220,000 in accrued severance to employees in Venezuela who were terminated in the year ended July 31, 2009.

In fiscal 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.

Finders’ fees of \$4,250 were paid and 25,000 finders’ warrants paid as 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.

In December, 2010 the Company completed a non-brokered private placement of 2,551,000 flow-through units at a price of \$0.30 per unit for gross proceeds of \$765,300. 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.

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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. The value allocated to each of the warrants using a modified Black-Scholes ("B-S") calculation with a volatility factors of 96% and a risk-free rates of 1.0% to 1.4% ranges from \$0.03 per warrant and \$0.15 per finders' warrants.

A second tranche of 1,441,000 units totalling \$432,300 with the same terms as described above 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. The value allocated to each of the warrants using a modified B-S calculation with a volatility factors of 96% and a risk-free rates of 1.0% to 1.7% ranges from \$0.04 per warrant and \$0.14 per finders' warrants.

The proceeds of \$765,300 from the private placement of flow-through shares are to be expended on exploration in Canada, of which \$66,277 has been expended to January 31, 2011.

Subsequently on May 4, 2011 the Company completed a non-brokered private placement of a total of 6,785,000 common shares at a price of \$0.27 per share for gross proceeds of \$1,831,950. Compensation was paid to a certain eligible arm's-length party (the "Finder") in consideration for securing subscribers for the Offering. The compensation is comprised of two components consisting of a Finder's commission totalling 180,000 common shares (equal to 5% of the gross proceeds raised from the Offering attributable to the Finder) as well as Finder's Warrants totalling 180,000 non-transferable common shares (equal to 5% of the number of Shares sold in the Offering attributable to the Finder. Each Finder's Warrant is exercisable to acquire one common share in the capital of the Company at a price of \$0.30 per share and expires 18 months after closing expiring on November 3, 2012. All securities issued with respect to this non-brokered private placement are subject to a four months plus one day hold period and may not be traded for four months plus one day from the date of closing of the private placement, or September 4, 2011.

Investing Activities

At April 30, 2011, the Company had capitalized \$344,135 in mineral property acquisition costs, compared to \$343,143 at July 31, 2010, representing costs associated with the acquisition of its mineral property interests in Venezuela and Ontario on its mineral property interests.

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During the quarter the Company expended \$701,575 on property investigations in Central Europe. The expenditure was made primarily as a deposit respecting an application for a mining licence. The deposit was made to forward negotiations for an agreement concerning the potential acquisition of a prospective mineral property. The negotiations have been underway since March and are considered by management to be significantly advanced. However, the parties have yet to arrive at final terms on all aspects of the possible agreement.

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

1.6 Capital Resources

At April 30, 2011, the Company held 1,437,500 common shares of Northern Gold which may be sold by the Company to provide working capital. 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 April 30, 2011, the fair value of these common shares was \$661,251.

Going Concern

At April 30, 2011, and up to the date of this management discussion and analysis, the Company has had a working capital deficit of \$72,497. 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, maintain mineral property interests in Canada and Venezuela, for the next year. 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. With the funds from the flow-through financing completed in December 2010, the Company will conduct a work program on its Tower Mountain property in Ontario.

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 can limit 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. 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

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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 continues to be contingent on its ability to obtain additional financing. Financial equity market conditions, an inhospitable funding environment and a low price for a Company's common shares often 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. At April 30, 2011, the Company held 1,473,500 common shares of Northern Gold which may be sold to provide working capital to the Company if required. During the period to the date of this interim report, the Company has sold 750,000 common shares of Northern Gold, for proceeds of \$224,321. At June 28, 2011, the common shares of Northern Gold had a closing market price of \$0.34. If this market price continues to remain at this level, the quoted closing price could provide the Company with additional working capital of approximately \$500,990, less costs of disposition.

On May 13, 2011 the Company closed a sales agreement with Northern Gold Mining Inc. ("Northern Gold") of the Garrison Gold Property ("Garrison Property") located in north eastern Ontario. Under the terms of the sales agreement Northern Gold has purchased the Company's 100% interest in the Garrison Property. In consideration for this sale, the Company received, at the closing, a cash payment of Cdn \$325,000 and a promissory note for an additional Cdn\$325,000 to be paid on or before August 13, 2011; 16 million common shares in Northern Gold ("Northern Gold Shares") giving the Company aggregate ownership of approximately 14.8% of the issued and outstanding shares of Northern Gold on a non-diluted basis; a 2% net smelter return royalty of which (i) half (i.e. 1%) can be acquired by Northern Gold for Cdn\$5 million paid to the Company at any time upon the earlier of thirty-six months following the date of closing and the commencement of commercial production, and (ii) the remaining 1% can be acquired for a further payment of Cdn\$10 million at any time upon the earlier of seventy-two months following the date of closing and the commencement of commercial production. 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 the junior exploration sector. These factors have affected the ability of the Company to obtain significant equity or debt financing. If these

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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 is currently conducting an exploration program on its Tower Mountain property with the proceeds from the private placement financing completed in November and December 2010. Drilling has commenced on the property.

In addition to the continuing work on our Garrison property, drilling on Tower Mountain and our optioning of the Venezuelan properties, ValGold is on the constant lookout for new opportunities. ValGold's objective is to acquire properties with exceptional unrecognized potential. With our proven record of well-focused exploration, ValGold has been successful in taking on projects and materially improving their value, and our recent investigations have revealed a number of excellent prospects that we believe could represent production opportunities for our Company.

1.7 Off-Balance Sheet Arrangements

None.

1.8 Transactions with Related Parties

Services provided by:	Nine months ended April 30,	
	2011	2010
Quorum Management and Administrative Services Inc. (a and d)	333,910	354,636
Kent Avenue Consulting Ltd. (c)	23,000	22,500
759924 Ontario Ltd. (d))	6,000	--
Directors fees (b)	3,000	
Balances payable to	April 30, 2011	July 31, 2010
Quorum Management and Administrative Services Inc. (a)	(120,440)	(56,415)
Officer and directors	(387,292)	(472,614)
Glencoe Management Ltd.	(36,618)	(36,618)
Total balances payable	\$ (544,350)	\$ (565,647)

(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

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full cost recovery basis to the various public entities currently sharing office space with the Company. At April 30, 2011, 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 April 30, 2011, 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 fiscal year ended July 31, 2009, are no longer accrued until such time as the Company is able to pay directors' fees. Effective April 1, 2011, three independent directors will each receive a monthly fee of \$1,000.
- (c) Consulting fees of \$23,000 (2010 - \$22,500) 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. Effective April 1, 2011 the monthly consulting fee has been changed to \$3,000 per month.
- (d) Effective April 1, 2011, fees in the amount of \$6,000 per month will be paid to 759924 Ontario Ltd., a private company controlled by a director and officer, Kenneth R. Yurichuk, to remunerate him for his work as Chief Financial Officer of the Company.
- (e) Transactions with related parties are recorded at their exchange values which are the amounts entered into and agreed by both parties.

1.9 Fourth Quarter Results

Not applicable.

1.10 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.

At April 30, 2011, 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

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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.

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.

1.11 Critical accounting policies and changes in accounting policies

Accounting standards issued but not yet effective

(a) International Financial Reporting Standards

The Canadian Accounting Standards Board has announced their plan to converge Canadian GAAP with International Financial Reporting Standards ("IFRS") over a transition period. Canadian GAAP and IFRS will be fully converged for fiscal years commencing on or after January 1, 2011. The Company has developed an IFRS changeover plan to identify and implement the changes necessary to report under the new standards. The plan includes assessing the impact of IFRS on financial reporting systems, accounting policies, disclosure controls and procedures, business activities, internal control over financial reporting, tax planning, and the knowledge of key personnel. The Company has completed an initial high level assessment to identify the required accounting policy changes on adoption of IFRS, but has not yet quantified the impact of the transition on its consolidated financial condition. The Company is completing a more detailed assessment to assist in the full adoption of IFRS.

The Company's initial high level assessment identified significant differences between existing Canadian GAAP and IFRS but has determined that no significant changes will be required to financial reporting systems, business activities, internal control over financial reporting, or tax planning. Some disclosure controls and procedures will, however, need to be changed, for example, to address reporting of first time adoption as well as ongoing new IFRS reporting requirements. These changes will require training of key personnel. There will also be both optional and required changes made to certain accounting policies upon adoption of IFRS. These changes may result in material changes to financial results or financial position. Additionally, it is expected that the amount of required financial statement disclosure will increase substantially. The Company has retained the services of MSCM LLP, Chartered Accountants to complete the design and initially evaluate the effectiveness of these controls in the third quarter of fiscal 2011 in order to prepare for certification under IFRS in 2011.

In the fourth quarter of fiscal 2011, the Company will quantify the impact of the transition to IFRS on its financial statements and systems, if any. The implementation and transition phase to IFRS are currently planned for the fourth quarter of fiscal 2011 in order to meet the expected adoption date of August 1, 2011.

Fortunately, due to the jurisdictions in which the Company operates, some staff working for subsidiary companies are already accustomed to reporting under IFRS. Training of other Company personnel, where required, has started and will continue through 2011. This training is being conducted via attendance at seminars specifically designed for Canadian companies going through the transition to IFRS. The Audit Committee members will continue to receive quarterly IFRS presentations and project status updates from management.

As the Company has no debt covenants, executive compensation arrangements or other contracts that depend on financial information, there will be no changes required to business activities as a result of the change to IFRS.

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Areas of potential differences between Canadian GAAP and IFRS that have been identified to date include the following:

- Foreign currency translation

Canadian GAAP uses the concept of integrated and self-sustaining foreign operations in order to determine how to translate financial information denominated in foreign currencies.

IFRS uses the functional currency concept. Under this method, the currency of the primary economic environment in which the entity operates is used to determine the method of measuring foreign currency translation.

- Mineral property interests and buildings and equipment

The Company's mineral property interests, buildings and equipment are recorded at cost under Canadian GAAP.

IFRS 1 allows companies to elect fair value as the deemed cost of an individual asset at the date of transition.

IFRS requires a componentization approach, separately identifying and measuring significant individual components of assets which have different useful lives. The Company has determined that it has no significant assets that will require this approach.

- Impairment of long-lived assets

In evaluating the Company's long-lived assets for recoverability, undiscounted future cash flows are used to perform the test. Recoverability is evaluated whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment charge is recorded if the undiscounted future net cash flows are less than the carrying amount. Reductions in the carrying value, with a corresponding charge to operations, are recorded to the extent that the estimated discounted future net cash flows are less than the carrying value.

IFRS requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step test under Canadian GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss).

IFRS requires reversal of impairment losses where previous adverse circumstances have changed; this is prohibited under Canadian GAAP.

Impairment testing should be performed at the asset level for long-lived assets and intangible assets. Where the recoverable amount cannot be estimated for individual assets, it should be estimated as a part of a Cash Generating Unit.

Impairment testing under IFRS is performed using two new valuation methods – value in use and fair value less cost to sell.

The Company has no cash generating units and currently expenses its exploration costs which is allowed under IFRS. The Company reviews its carrying costs of its mineral property interests each fiscal quarter.

The transition date of August 1, 2011, will require the restatement of comparative amounts reported by the Company for the year ending July 31, 2011.

Other areas that have been identified as possible areas of difference under IFRS but not quantified are the issuance of flow-through shares and share-based compensation.

Currency risk

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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 April 30, 2011, 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.

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	April 30, 2011	April 30, 2010
United States dollars		
Cash and cash equivalents	22,681	55,276
Accounts payable and accrued liabilities	(344,700)	(276,002)
Venezuelan bolivars		
Cash and cash equivalents	125	17,653
Accounts payable and accrued liabilities	(273,084)	(304,562)

Based on the above net exposures at April 30, 2011, and assuming that all other variables remain constant a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase/decrease of \$32,202 (2010 - \$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 \$27,296 (2010 - \$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.

1.12 Other MD&A Requirements

See the Company's annual audited consolidated financial statements for the years ended July 31, 2010 and 2009 and the Company's unaudited interim consolidated financial statements for the nine months months ended April 30, 2011 and 2010.

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

1.12.1 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.

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1.12.2 Disclosure of Outstanding Share Data

The following details the share capital structure (post-consolidation) as of November 29, 2010 (share consolidation was effective March 1, 2010), the date of this MD&A, subject to minor accounting adjustments:

Outstanding share information at June 29, 2011

Authorized Capital

Unlimited number of common shares without par value.

Issued and Outstanding Capital

31,045,407 common shares are issued and outstanding

Stock Options Outstanding

Number of Options	Exercise Price (\$)	Expiry Dates
20,000	0.19	July 18, 2011
70,000	0.19	December 20, 2012
89,000	0.19	November 14, 2013
280,000	0.19	April 12, 2012
30,000	0.19	June 20, 2012
1,890,000	0.20	May 12, 2015
555,000	0.31	April 5, 2016
2,934,000		

Warrants Outstanding

Number of Warrants	Exercise Price	Expiry Dates
293,500	\$0.25	September 3, 2011
1,110,000	\$0.50	November 23, 2012
50,000	\$0.30	November 23, 2012
1,441,000	\$0.50	December 20, 2012
65,000	\$0.30	December 20, 2012
4,463,500	\$0.25	March 3, 2015
1,805,000	\$0.25	April 13, 2015
9,228,000		

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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 nine months ended April 30, 2011.

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.

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

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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.