

2010

FINANCIAL STATEMENTS

Second Quarter
June 30, 2010



THREEGOLD Resources inc.

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Financial statements

THREEGOLD RESOURCES INC.

June 30, 2010

Management's Report

To the Shareholders of
Threegold Resources Inc.

The Company's management is responsible for the preparation of the interim financial statements and for the financial information included in this interim report. Management maintains a system of internal control in order to produce reliable financial statements and to provide reasonable assurance that assets are safeguarded.

The interim financial statements are prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts based on estimates and judgments of management. For their preparation, the Company uses the same accounting policies and methods used in the preparation of the Company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the company's most recent annual financial statements.

The audit committee meets, with and without management being present, to review the financial statements and discuss issues affecting this quarterly report. On the recommendation of the audit committee, the Company's interim financial statements are approved by the Board of Directors.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed) _____
Octavio Soares, FCA
Chief Financial Officer

(signed) _____
Antoine Fournier, P. Geo
President and chief Executive Officer

Val d'Or, Canada
August 25, 2010

THREEGOLD RESOURCES INC.

FINANCIAL STATEMENTS

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THREEGOLD RESOURCES INC.

STATEMENTS OF EARNINGS AND COMPREHENSIVE LOSS

Three and six month periods ended June 30, 2010 and 2009

	Three month periods ended June 30		Six month periods ended June 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interest revenues	134	-	144	899
Administrative expenses:				
Salaries, fringe benefits and training	11,239	12,488	22,905	28,287
Stock-based compensation (note 7a)	698	983	1,953	15,433
Office expenses	6,555	10,803	12,827	20,577
Management fees	67,101	40,098	101,661	80,196
Advertising, promotion and entertainment	19,382	20,144	47,918	44,271
Professional fees	25,452	15,169	32,857	24,801
Claims renewal	2,106	6,500	5,723	18,977
Research property expenses	5,040	-	5,040	763
Interests and bank charges	54	220	429	460
Telecommunications	1,340	1,003	2,670	2,186
Travel expenses - administration	13,307	8,026	18,077	10,112
Depreciation of fixed assets	4,172	4,259	8,297	8,471
Registration and information to shareholders	29,381	14,225	43,676	23,203
Part XII,6 taxes	-	13,179	386	16,894
	185,827	147,097	304,419	294,631
Loss before other items and taxes	(185,693)	(147,097)	(304,275)	(293,732)
Other items:				
Write-off of mining properties (note 4)	-	(1,700)	-	(1,700)
Write-off of deferred exploration expenses (note 5)	-	(27,090)	-	(27,090)
	-	(28,790)	-	(28,790)
Loss before taxes	(185,693)	(175,887)	(304,275)	(322,522)
Future income and mining taxes	-	-	-	-
Net loss and comprehensive loss	(185,693)	(175,887)	(304,275)	(322,522)
Basic and diluted net loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of shares outstanding	51,454,846	39,924,449	51,454,846	39,924,449

See accompanying notes to financial statements.

THREEGOLD RESOURCES INC.

STATEMENTS OF DEFICIT

Three and six month periods ended June 30, 2010 and 2009

	Three month periods ended June 30		Six month periods ended June 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Balance, beginning	(7,852,259)	(6,710,381)	(7,574,592)	(6,500,934)
Net loss	(185,693)	(175,887)	(304,275)	(322,522)
Share issuance expenses	(1,707)	(5,980)	(1,799)	(17,865)
Future income taxes on flow-through shares	12,490	232	(146,503)	(50,695)
Balance, end	(8,027,169)	(6,892,016)	(8,027,169)	(6,892,016)

See accompanying notes to financial statements.

THREEGOLD RESOURCES INC.

STATEMENTS OF DEFERRED EXPLORATION EXPENSES

Three and six month periods ended June 30, 2010 and 2009

	Three month periods ended June 30		Six month periods ended June 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
General exploration expenses	25,172	53,475	104,344	110,179
Drilling	-	-	301,862	-
Analysis	74,971	56,483	128,192	64,021
Geology	1,440	20,245	35,188	33,921
Geophysical	-	-	-	-
Geochemistry	-	405	-	7,020
Technical reports, data compilation and maps	6,872	30,720	13,172	51,367
Stock-based payments (note 7a)	3,727	1,575	7,995	3,655
	112,182	162,903	590,753	270,163
Other items:				
Tax credit for mining exploration expenses	(47,862)	-	(47,862)	-
Write-off of deferred exploration expenses (note 5)	-	(27,090)	-	(27,090)
	(47,862)	(27,090)	(47,862)	(27,090)
	64,320	135,813	542,891	243,073
Balance, beginning	7,206,726	6,226,384	6,728,155	6,119,124
Balance, end	7,271,046	6,362,197	7,271,046	6,362,197

See accompanying notes to financial statements.

THREEGOLD RESOURCES INC.

BALANCE SHEETS

Periods ended June 30, 2010 and December 31, 2009

	June 30	December 31
	2010	2009
	\$	\$
Assets		
Current assets:		
Cash	37,898	226,793
Cash reserved for exploration	-	446,010
Accounts receivable (note 2)	370,256	476,384
Prepaid expenses	4,503	15,919
	412,657	1,165,106
	-	-
Fixed assets (note 3)	39,647	47,944
Mining properties (note 4)	495,231	490,660
Deferred exploration expenses (note 5)	7,271,046	6,728,155
	8,218,581	8,431,865
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	219,732	147,556
Future income and mining taxes	2,353,029	2,195,860
	2,572,761	2,343,416
Shareholders' equity		
Share capital (note 7)	11,977,483	11,977,483
Warrants (note 7b)	111,885	111,885
Contributed surplus (note 8)	1,583,621	1,573,673
Deficit	(8,027,169)	(7,574,592)
	5,645,820	6,088,449
	8,218,581	8,431,865

Commitments (note 9)

Contingency (note 13)

See accompanying notes to financial statements.

On behalf of the Board

director_____
director

THREEGOLD RESOURCES INC.

STATEMENTS OF CASH FLOWS

Three and six month periods ended June 30, 2010 and 2009

	Three month periods ended June 30		Six month periods ended June 30	
	2010	2009	2010	2009
			\$	\$
Operating activities:				
Net loss	(185,693)	(175,887)	(304,275)	(322,522)
Adjustments for:				
Stock-based compensation (note 7a)	698	983	1,953	15,433
Depreciation of fixed assets	4,172	4,259	8,297	8,471
Write-off of mining properties	-	1,700	-	1,700
Write-off of deferred exploration expenses	-	27,090	-	27,090
Changes in non-cash working capital	212,704	21,957	186,594	(18,014)
	31,881	(119,898)	(107,431)	(287,842)
Financing activities:				
Share issuance expenses	(1,707)	(5,980)	(1,799)	(17,865)
	(1,707)	(5,980)	(1,799)	(17,865)
Investing activities:				
Variation of cash reserved for exploration	-	330,271	446,010	762,444
Acquisition of mining properties	(1,023)	(19,968)	(4,571)	(20,868)
Increase of deferred exploration expenses	(154,208)	(184,425)	(521,104)	(637,539)
	(155,231)	125,878	(79,665)	104,037
Increase (decrease) in cash and cash equivalents	(125,057)	-	(188,895)	(201,670)
Cash and cash equivalents at beginning	162,955	-	226,793	201,670
Cash and cash equivalents at end	37,898	-	37,898	-

See accompanying notes to financial statements.

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

Incorporation, nature of operations and going concern

The Company has been incorporated under Part 1A of the Quebec companies Act, March 19, 2002 and has started its activities December 10, 2003. The Company is in the process of exploring mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of amounts shown for mining properties and related deferred exploration expenses is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. The Company will need to obtain periodically new funds to pursue its operations and despite its ability to obtain funds in the past, there is no guarantee for the future.

The interim financial statements (unaudited) are prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts based on estimates and judgments of management. For their preparation we use the same accounting policies and methods used in the preparation of the company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the Company's most recent annual financial statements ended at December 31, 2009 and particularly Note 1 – Changes in accounting policies and Note 3 – Significant accounting policies.

The financial information as at June 30, 2010 and December 31, 2009 and for periods ended June 30, 2010 and 2009 are unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of balance sheet items was the going concern assumption inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

1. Future accounting changes:

a) International Financial Reporting Standards ("IFRS")

The AcSB plans to converge the Canadian GAAP used by publicly accountable enterprises with IFRS over a transition period that will end with the adoption of IFRS on January 1, 2011. AcSB announced that publicly accountable profit-oriented enterprises would have to adopt IFRS by 2011. The changeover date applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will present its first set of IFRS compliant financial statements for the year ending December 31, 2011. IFRS uses a conceptual framework similar to Canadian generally accepted accounting principles, but there are significant differences in recognition, measurement and disclosure requirements.

The Company is currently in the assessment and evaluation phase of its IFRS implementation project to determine how IFRS adoption will impact processes, systems and financial statements.

b) Business combinations

In January 2009, the CICA issued Section 1582 "Business Combinations," which replaces Section 1581 of the same title. On the same date, the CICA also issued new sections 1601, "Consolidated Financial Statements" and 1602, "Non-controlling Interests." These two new sections replace Section 1600, "Consolidated Financial Statements."

The purpose of Section 1582 is to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. Section 1601 establishes standards for the preparation of consolidated financial statements following a business combination that involves a purchase of an equity interest by one company in another. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

Section 1582 must be applied to business combinations for which the acquisition date is in a fiscal year beginning on or after January 1, 2011, and sections 1601 and 1602 are effective for fiscal years beginning on or after January 1, 2011. The Company will apply these new sections as of January 1, 2011. The Company's management is unable to measure the impact that the application of these new standards will have on the financial statements.

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

2. Accounts receivable:

	June 30,	December 31,
	2010	2009
	\$	\$
Dianor Resources Inc., shareholder company, non-interest bearing	248,116	338,950
Goods and services tax	18,770	56,308
Tax credit for mining exploration expenses and mining duties	103,370	44,842
Subscriptions receivable	-	36,284
	370,256	476,384

3. Fixed assets:

	Cost	Accumulated depreciation	Net book value June 30, 2010
	\$	\$	\$
Office furniture	15,036	5,990	9,046
Computer equipment	31,546	18,667	12,879
Leasehold improvements	6,568	5,763	805
Vehicles	37,425	20,508	16,917
	90,575	50,928	39,647

	Cost	Accumulated depreciation	Net book value December 31, 2009
	\$	\$	\$
Office furniture	15,036	4,995	10,041
Computer equipment	31,546	15,114	16,432
Leasehold improvements	6,568	4,971	1,597
Vehicles	37,425	17,551	19,874
	90,575	42,631	47,944

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

4. Mining properties:

	Balance at December 31, 2010	Acquisition	Disposition	Write-off	Balance at June 30, 2010
	\$	\$	\$	\$	\$
Adanac	2,562	-	-	-	2,562
Dôme-Lemieux	279,180	-	-	-	279,180
Frotet-Robert	66,000	-	-	-	66,000
Mercier	93,776	-	-	-	93,776
Gaspéite	50	-	-	-	50
Maisonneuve	900	-	-	-	900
Grenville	22,412	1,196	-	-	23,608
South Bay	22,166	740	-	-	22,906
Adelme	650	-	-	-	650
Target A	1,768	1,612	-	-	3,380
Des Vents	1,196	-	-	-	1,196
Barraute	-	1,023	-	-	1,023
	490,660	4,571	-	-	495,231

	Balance at December 31, 2008	Acquisition	Disposition	Write-off	Balance at December 31, 2009
	\$	\$	\$	\$	\$
Adanac	2,562	-	-	-	2,562
Dôme-Lemieux	275,241	3,939	-	-	279,180
Frotet-Robert	66,000	-	-	-	66,000
Mercier	93,620	156	-	-	93,776
Gaspéite	50	-	-	-	50
Pas de Dames	1,700	-	-	1,700	-
Maisonneuve	-	900	-	-	900
Grenville	-	22,412	-	-	22,412
South Bay	-	22,166	-	-	22,166
Adelme	-	650	-	-	650
Target A	-	1,768	-	-	1,768
Des Vents	-	1,196	-	-	1,196
	439,173	53,187	-	1,700	490,660

Some properties are subject to royalties in the event they are brought into commercial production (note 9).

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

5. Deferred exploration expenses:

	Balance at December 31, 2009	Exploration cost	Tax credit for mining exploration expenditures	Disposition	Write-off	Balance at June 30, 2010
	\$	\$	\$	\$	\$	\$
Mercier	1,195,917	545,910	34,965	-	-	1,706,862
Adanac	841,643	10,226	2,818	-	-	849,051
Dôme-Lemieux	3,245,495	14,023	3,551	-	-	3,255,967
Frotet-Robert	156,102	-	-	-	-	156,102
Mont-de-l'Aigle	984,928	7,015	1,775	-	-	990,168
Grenville	247,690	12,028	4,210	-	-	255,508
Gaspéite	4,698	-	-	-	-	4,698
South Bay	5,006	-	-	-	-	5,006
Maisonneuve	11,868	1,327	465	-	-	12,730
Adelme	34,099	-	-	-	-	34,099
Des Vents	709	-	-	-	-	709
Barraute	-	224	78	-	-	146
	6,728,155	590,753	47,862	-	-	7,271,046

	Balance at December 31, 2008	Exploration costs	Tax credit for mining exploration expenditures	Disposition	Write-off	Balance at December 31, 2009
	\$	\$	\$	\$	\$	\$
James-Bay	240,459	(7,358)	-	-	233,101	-
Mercier	1,141,182	54,735	-	-	-	1,195,917
Adanac	309,571	532,072	-	-	-	841,643
Dôme-Lemieux	3,058,865	186,630	-	-	-	3,245,495
Frotet-Robert	155,923	179	-	-	-	156,102
Abitibi Extension	124,882	-	-	-	124,882	-
Mont-de-l'Aigle	828,090	156,838	-	-	-	984,928
Hush Hush	20,993	-	-	-	20,993	-
Pas de Dames	27,090	-	-	-	27,090	-
Grenville	205,043	42,647	-	-	-	247,690
Gaspéite	1,172	3,526	-	-	-	4,698
South Bay	-	5,006	-	-	-	5,006
Maisonneuve	-	11,868	-	-	-	11,868
Leclerc	227	-	-	-	227	-
La Ronde	3,141	-	-	-	3,141	-
Le Tac	2,486	1,050	-	-	3,536	-
Adelme	-	34,099	-	-	-	34,099
Des Vents	-	709	-	-	-	709
	6,119,124	1,022,001	-	-	412,970	6,728,155

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

6. Accounts payable and accrued liabilities:

	June 30,	December 31,
	2010	2009
	\$	\$
Accounts payable	140,388	98,982
Related party, non-interest bearing (note 11)	48,781	14,568
Others	30,563	34,006
	219,732	147,556

7. Share capital:

Authorized:

Unlimited number of preferred shares, without par value. The preferred shares can be at any time issued in one or more series. The rights, conditions and restrictions will be determined by the board of directors of the Company.

Unlimited number of preferred shares series A, non-voting, non-participating, redeemable and retractable at their paid-up amount.

Unlimited number of voting common shares, participating, without par value.

Issued:

	June 30,		December 31,	
	2010		2009	
	Number of shares	\$	Number of shares	\$
Balance, beginning	51,461,288	11,977,483	39,924,449	10,637,259
Shares issued:				
Private placements	-	-	10,973,999	1,260,540
To be issued:				
Mining properties	-	-	100,000	13,500
Warrants	-	-	462,840	66,184
Balance, end	51,461,288	11,977,483	51,461,288	11,977,483

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

7. Share capital (continued):

a) Common share purchase options:

The Company has a share option plan. Under the stock option plan, the Company's Board of Directors may grant options to acquire common shares to directors, officers, employees and service providers. The maximum number of common shares that can be issued upon the exercise of options granted under the 2006 Plan, together with any common shares issued or reserved for issuance under any other share compensation arrangement which is then in place, is equal to 10% of the number of common shares issued and outstanding from time-to-time. The exercise price of options granted under the 2006 Plan is set at the time of the grant of the options, but cannot be less than the closing price of the common shares on the TSX Venture Exchange on the trading day immediately preceding the day on which and option is granted. The maximum period during which options may be exercised is five years from the date on which they are granted. Until May 22, 2008, the stock options granted to employees and directors were acquired over an eighteen month period at the rate of a third of the stock options granted every six months and were exercisable as from the first six months. The stock option plan was amended in 2008 and the stock options granted to employees and directors are exercisable at any time as from the date of the grant.

Stock options granted to consultants vest over a period of eighteen months, one third the options every 6 months starting after the first six months.

The status of the Company's fixed-price share option plan as of June 30, 2010 and December 31, 2009 and changes during the years then ended are summarized as follows:

	June 30, 2010		December 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning	3,310,000	0.23	2,455,000	0.29
Granted - employees and directors	-	-	935,000	0.13
Granted - consultants	-	-	190,000	0.13
Cancelled	(45,000)	0.24	(270,000)	0.29
Outstanding, end	3,265,000	0.23	3,310,000	0.23
Options exercisable	3,138,333	0.23	3,076,667	0.23

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

7. Share capital (continued):

a) Common share purchase options (continued):

The following table summarizes information about the stock options outstanding and exercisable as at June 30, 2010:

Outstanding options at June 30, 2010				Exercisable options at June 30, 2010	
Range of exercise prices	Number of options	Weighted remaining contractual life	Weighted average exercise price		
\$		Year	\$		\$
0.125	1,115,000	4.3	0.125	0	988,333
0.25	1,060,000	3.2	0.25	0	1,060,000
0.29	690,000	2.2	0.29	0	690,000
0.35	400,000	1.2	0.35	0	400,000
	3,265,000	3.1	0.23		3,138,333
					0.23

The application of the fair value method in 2010, resulted in a \$1,953 (2009 - \$15,433) charge to stock-based compensation expense and in a \$7,995 (2009 - \$3,655) increase of the deferred exploration expenses related to stock-based compensation with a corresponding credit to contributed surplus.

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

7. Share capital (continued):

b) Warrants:

The status of the warrants as at June 30, 2010 and December 31, 2009 and changes during the years then ended are summarized as follows:

	June 30, 2010			December 31, 2009		
	Number outstanding	Weighted average exercise price	Fair value of the warrants	Number of warrants	Weighted average exercise price	Fair value of the warrants
		\$	\$		\$	\$
Outstanding at beginning	7,526,899	0.17	111,885	1,260,840	0.29	43,852
Issued	-	-	-	6,878,899	0.14	96,333
Exercised	-	-	-	(462,840)	0.10	(19,900)
Expired	-	-	-	(150,000)	0.65	(8,400)
Outstanding at end	7,526,899	0.17	111,885	7,526,899	0.17	111,885

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

Number of warrants	Exercise price	Expiration date
	\$	
648,000	0.45	July 11, 2010
1,500,000	0.14	July 14, 2010
1,260,000	0.14	August 24, 2010
2,916,666	0.15	December 8, 2010
833,333	0.15	December 18, 2010
368,900	0.12	May 30, 2011
7,526,899	0.17	

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

8. Contributed surplus:

	June 30, 2010	December 31, 2009
	\$	\$
Balance, beginning	1,573,673	1,405,678
Stock-based compensation (note 7a)	9,948	159,595
Expired warrants	-	8,400
Balance, end	1,583,621	1,573,673

9. Commitments:

a) Mont-de-l'Aigle Property:

On January 10, 2007, the Company has signed an exclusive option agreement with Ressources Appalaches, for the acquisition of a 50% interest in the Mont-de-l'Aigle Property by investing \$2 million in work spread out over a period of five years with \$1,500,000 minimum (\$1,009,594 incurred) for the first four years and thereafter \$500,000 in 2011 (see note 5).

b) South Bay Property:

On October 15, 2009, the Company has signed an option agreement on the South Bay property located in the Abitibi in Vauquelin Township about 40 km east of Val-d'Or. Under the terms of the agreement, the Company will acquire a 100% interest in the property in exchange for the issuance of 300,000 common shares of which 100,000 common shares to be issued at the date of signature (100,000 shares issued to \$13,500) and 100,000 shares to be issued in the first and second anniversary. The Company also undertook to spend \$300,000 (\$5,006 incurred) in exploration over a period of three years. A 250,000 common shares bonus will be granted to the sellers if the resource production reaches at least 100,000 Troy ounces of gold. The sellers retained a net smelter return royalty of 2% (NSR) of which half (1%) may be bought back by the Company for \$1,000,000 (see note 5).

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

9. Commitments (continued):

c) Barraute Property:

On June 10, 2010, the Company has signed an option agreement on the Barraute property located in the Abitibi in Barraute Township about 50 km north-north-east of Val-d'Or. Under the terms of the agreement, the Company will acquire a 100% interest in the property in exchange for the issuance of 360,000 common shares of which 120,000 shares to issue the acceptance of the transaction by regulatory authorities and completion of due diligence by the purchaser and 120,000 shares to be issued in the first and second anniversary in addition to a cash payment of \$15,000 in the second anniversary. The Company also undertook to spend \$250,000 (\$224 incurred) in exploration over a period of three years including \$100,000 before the second anniversary. A 250,000 common shares bonus will be granted to the sellers if the resource production reaches at least 100,000 Troy ounces of gold. The sellers retained a net smelter return royalty of 2% (NSR) of which half (1%) may be bought back by the Company for \$1,000,000 (see note 5).

d) Bonus, royalty and royalty redeemable:

Under agreements signed for the acquisition of various mining properties, the Company is liable to pay bonuses and / or royalties if it reaches the stage of pre-production or production.

The following table summarizes information relating to royalty on each property at June 30, 2010:

Properties	Pre-production (in shares)	Production (in shares)	Royalties	Royalties redeemables
Vital	250,000	500,000	2%	1 % redeemable for \$1,500,000
Gasse-Lemieux	-	500,000	1%	1 % redeemable for \$1,000,000
Frotet-Robert	-	250,000	2%	1 % redeemable for \$1,000,000
Mercier	-	-	2%	1 % redeemable for \$1,500,000 in cash, or in shares, or the two mixed

THREEGOLD RESOURCES INC.**NOTES TO THE FINANCIAL STATEMENTS**Three and six month periods ended June 30, 2010 and 2009

10. Capital disclosure:

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquisitions of mining properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

The Company expects its ability to obtain additional financing will support further exploration and development of its mineral properties.

11. Related party transactions:

During the first quarter ended June 30, 2010, the Company incurred rent expenses of \$7,020 (\$6,750 in 2009), management fees of \$64,100 (\$57,600 in 2009) with a shareholder company, Dianor Ressources Inc.

Furthermore, the Company made transactions with a company, which is controlled by a director of the Company. The Company incurred \$20,010 (\$20,010 in 2009) for professional services in corporate development. The Company made transactions with a company, which is controlled by the chief financial officer of the Company. The Company incurred \$30,000 (\$15,000 in 2009) for professional services in management. The Company made transactions with a company, which is controlled by a director of the Company. The Company incurred \$0 (\$16,800 in 2009) for professional services in geology. Finally, the Company made transactions with a company, which is controlled by the president of the Company. The Company incurred \$35,511 (\$31,440 in 2009) for professional services in geology, equipment rental, representation and travelling expenses.

These transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

The amount payable in respect of these transactions was \$48,781 as at June 30, 2010 (\$17,740 in 2009).

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

12. Financial Instruments:

Financial instrument fair values:

	June 30, 2010		December 31, 2009	
	Book value	Fair value	Book value	Fair value
	\$	\$	\$	\$
Financial assets				
Held for trading				
Cash and cash equivalents (a)	37,898	37,898	226,793	226,793
Cash reserved for exploration (a)	-	-	446,010	446,010
Loans and receivable				
Accounts receivable (a)	370,256	370,256	476,384	476,384
Financial liabilities				
Others financial liabilities				
Accounts payable and accrued liabilities (a)	219,732	219,732	147,556	147,556

- a) The Company owns and assumes financial assets and liabilities such as cash and cash equivalents, cash reserved for exploration, accounts receivable, as well as accounts payable and accrued liabilities. The fair value of these financial assets and liabilities approximates their book value as these items will be realized in the short term. The fair value measurements of cash and cash reserved for exploration have been classified at level one from the fair value hierarchy.

Risk exposure and management

The Company is exposed to a certain amount of risks at different levels. The type of risk and the way the exposition is managed is described here after.

- a) Market risk

i. Interest rate risk

The Company manages its portfolio of short-term investments based on its cash flow needs and with a view to optimizing its income.

The Company invests in guaranteed short-term deposits based on its cash flow needs and with a view to optimizing its income.

The effective interest rate on the short-term investments during the six months of the year 2010 and 2009 was 0%. The interest rate offered at the end of the period, for the year 2010 and 2009, on temporary investments ranges from 0.15% to 0.20%.

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

12. Financial Instruments (continued):ii. Stock price risk

The Company's financing capability is exposed to commercial risks, notably those linked to the stock price on the stock market. The Company does not have hedges covering this risk.

The growth of the Company is highly linked to the stock price. If the stock price would be low for a prolonged period, it might be more difficult to meet financing objectives through private placements or others.

iii. Credit risk

The Company's main assets consist of cash, short-term investments and receivables, which are exposed to credit risk. The book value of the financial assets in the balance sheet represents the maximal credit risk as of the balance sheet date.

The credit risk related to cash and short-term investments is limited since the counterparties are chartered banks with a high credit rating, which is assigned by national rating agencies. As of June 30, 2010, the receivables included related party transactions that will be collected monthly as well as the sales tax. The tax credit relating to resources and the credit on duties refundable for mining exploration expenses will be collected following the filing of the Company's tax returns.

iv. Liquidity risk

The liquidity risk is the risk that the Company has difficulties to honour its commitments when they come to maturity. The contractual commitments for liabilities as at June 30, 2010 are as follows:

	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liability	219,732	219,732	-	-	-
Total	219,732	219,732	-	-	-

As at June 30, 2010 the Company had \$37,898 in cash (\$211,156 in 2009).

THREEGOLD RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS

Three and six month periods ended June 30, 2010 and 2009

13. Contingency:

Environmental

The Company's operations are subject to governmental laws and regulations regarding environmental protection. Environmental consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company's operations are in compliance with all applicable laws and regulations.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

GENERAL INFORMATION

EXCHANGE LISTING

Exchange: TSX Venture Exchange
Symbol: THG

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