

ALDRESHOT RESOURCES LTD.

**CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)**

JULY 31, 2010

**MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Aldershot Resources Ltd. for the six months ended July 31, 2010 have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied and are the responsibility of the Company's management. These consolidated financial statements have not been reviewed by the Company's auditors.

ALDERSHOT RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(Unaudited – Prepared by Management)
[See Note 1—Nature of Operations and Going Concern Uncertainty]

	July 31, 2010	January 31, 2010
ASSETS		
Current		
Cash and cash equivalents	\$ 298,414	\$ 187,521
Restricted cash (Note 4)	8,914	12,284
Accounts receivable	7,568	1,705
Prepaid expenses and deposits	<u>5,699</u>	<u>7,469</u>
	320,595	208,979
Equipment (Note 3)	41,208	48,819
Resource properties (Note 4)	<u>-</u>	<u>-</u>
	<u>\$ 361,803</u>	<u>\$ 257,798</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 43,454	\$ 60,057
Due to related parties	<u>1,397</u>	<u>2,804</u>
	44,851	62,861
Debenture payable (Note 5)	<u>72,202</u>	<u>-</u>
Shareholders' equity (Note 6)		
Capital stock	12,531,269	12,231,269
Contributed surplus	5,941,100	5,721,376
Deficit	<u>(18,227,619)</u>	<u>(17,757,708)</u>
	<u>244,750</u>	<u>194,937</u>
	<u>\$ 361,803</u>	<u>\$ 257,798</u>

On behalf of the Board:

"Jeremy Caddy" Director _____
"Philip G. Crabb" Director

The accompanying notes are an integral part of these consolidated financial statements.

ALDERSHOT RESOURCES LTD.**CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT**

(Unaudited – Prepared by Management)

	Three Months Ended July 31, 2010	Three Months Ended July 31, 2009	Six Months Ended July 31, 2010	Six Months Ended July 31, 2009
EXPENSES				
Exploration costs (recoveries) (Note 4)	\$ 52,179	\$ 7,960	\$ 55,805	\$ (39,983)
Amortization	3,637	5,448	7,611	11,412
Consulting fees	10,500	29,520	31,792	42,020
Insurance	1,171	2,152	2,458	9,905
Interest and bank charges	11,279	816	11,279	1,699
Office and miscellaneous	686	17,415	2,255	18,753
Professional fees	14,590	7,716	35,593	20,315
Regulatory and trust company fees	4,913	6,014	10,641	10,684
Rent	7,951	5,146	14,212	10,384
Salaries and benefits administration	43,543	28,971	85,440	65,092
Telephone	1,609	1,935	3,082	2,935
Travel	8,139	5,702	14,894	10,585
(Loss) before other items	<u>(160,197)</u>	<u>(118,795)</u>	<u>(275,062)</u>	<u>(163,801)</u>
OTHER ITEMS				
Foreign exchange (loss)	(5,083)	41	(13,325)	(822)
Interest income	206	180	1,135	891
	<u>(4,877)</u>	<u>221</u>	<u>(12,190)</u>	<u>69</u>
Net (loss) and comprehensive (loss) for the period	(165,074)	(118,574)	(287,252)	(163,732)
Deficit, beginning of period	(18,062,545)	(17,458,997)	(17,757,708)	(17,202,965)
Modification of warrant terms (Note 6)	-	-	(182,659)	(210,874)
Deficit, end of period	<u>\$ (18,227,619)</u>	<u>\$ (17,577,571)</u>	<u>\$ (18,227,619)</u>	<u>\$ (17,577,571)</u>
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	80,092,975	68,121,266	78,534,964	68,121,266

The accompanying notes are an integral part of these consolidated financial statements.

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Months Ended July 31, 2010	Three Months Ended July 31, 2009	Six Months Ended July 31, 2010	Six Months Ended July 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	\$ (165,074)	\$ (118,574)	\$ (287,252)	\$ (163,732)
Items not affecting cash:				
Amortization	3,637	5,448	7,611	11,412
Accretion on debenture payable	9,267	-	9,267	-
Changes in non-cash working capital items:				
Restricted cash	3,370	-	3,370	-
Accounts receivable	(4,561)	1,765	(5,863)	4,473
Prepaid expenses and deposits	5,045	5,462	1,770	4,700
Accounts payable and accrued liabilities	(4,810)	(48,621)	(16,603)	(90,321)
Cash used in operating activities	<u>(153,126)</u>	<u>(154,520)</u>	<u>(287,700)</u>	<u>(233,468)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to/from related parties	1,397	4,708	(1,407)	3,640
Proceeds from the issue of share capital	-	265,790	300,000	265,790
Share issue costs	-	(4,770)	-	(4,770)
Proceeds from debenture payable	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Cash (used in) provided by financing activities	<u>101,397</u>	<u>265,728</u>	<u>398,593</u>	<u>264,660</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash during the period	(51,729)	111,208	110,893	31,192
Cash and cash equivalents, beginning of period	<u>350,143</u>	<u>133,733</u>	<u>187,521</u>	<u>213,749</u>
Cash and cash equivalents, end of period	\$ 298,414	\$ 244,941	\$ 298,414	\$ 244,941

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Aldershot Resources Ltd. (the “Company”) is engaged in the acquisition, exploration and development of resource properties. The Company is in the exploration stage and has not yet determined whether their properties contain enough mineral reserves, such that their recovery would be economically viable.

The Company has incurred losses since inception and as at July 31, 2010, the Company had an accumulated deficit of \$18,227,619. These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is in substantial doubt and is dependent upon the continued support from its directors, the ability to continue to raise adequate financing or achieving profitable operations in the future, the outcome of which cannot be predicted at this time. Management is seeking financing and business opportunities, including joint venture or merger opportunities or acquisition of properties to continue operations. Financing options available to the Company include public equity financings and loans. These consolidated financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated interim financial statements have been prepared using the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These consolidated interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2010. In management’s opinion, all adjustments necessary for fair presentation have been included in these consolidated interim financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year. Certain comparative figures have been reclassified to conform to the current period’s presentation.

New Canadian Accounting Standards

In February 2008, the CICA Accounting Standards Board confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required in 2011 for public companies in Canada (i.e., IFRS will replace Canadian generally accepted accounting principles for public companies). The official changeover date will apply for interim and financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company has determined that the key elements of this IFRS changeover on the Company will be in the areas of accounting for resource properties’ acquisition and exploration costs, accounting for share capital including stock options and warrants valuations and general IFRS disclosure requirements. The Company is currently assessing the specific impact on the Company’s financial reporting and finalizing an implementation timetable.

ALDERSHOT RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2010
(Unaudited – Prepared by Management)

3. EQUIPMENT

	July 31 2010			January 31 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 45,950	\$ 37,963	\$ 7,987	\$ 45,950	\$ 35,811	\$ 10,139
Furniture and fixtures	9,946	7,529	2,417	9,946	7,268	2,678
Mining and resource equipment	<u>104,631</u>	<u>73,827</u>	<u>30,804</u>	<u>104,631</u>	<u>68,629</u>	<u>36,002</u>
	\$ 160,527	\$ 119,319	\$ 41,208	\$ 160,527	\$ 111,708	\$ 48,819

4. RESOURCE PROPERTIES

The Company has entered into various agreements with other joint venture partners to conduct exploration work on its resource properties. There is no carrying value of the Company's resource properties. The current status of the Company's resource properties is described below.

Australia

These licences are granted by the local governments and are subject to various mining regulations and reporting in order to maintain them in good standing which the Company has complied with.

i) Northern Territory

During the year ended January 31, 2010, the Company partnered with Royal Resources Limited ("Royal"), a related company that has a director in common with the Company, granting Royal the option to acquire a 60% interest in certain of the Company's licences, focusing on uranium mineralization, in the Northern Territory. Under the terms of the agreement, Royal paid the Company \$83,937 (AUD \$100,000) and must spend at least AUD \$900,000 (CAD \$765,000) of exploration expenditures on the properties over a three year period. Once the required level of expenditures are made by Royal, the Company must pay its pro-rata share of costs to retain its 40% ownership of the property. The Company also retains a 2% NSR on the Mt. Thomas licence in the Northern Territory which it sold previously.

ii) Western Australia—Turee Creek

During the year ended January 31, 2009, the Company entered into an agreement with Cameco Australia Pty Ltd. ("Cameco") granting Cameco the option to acquire a 70% interest in the Turee Creek licence, with the focus on uranium mineralization. Under the terms of the agreement, Cameco paid the Company \$197,474 and must spend at least AUD \$2,500,000 (CAD \$2,125,000) of exploration expenditures on the property over a four year period. Once the required level of expenditures are made by Cameco, the Company must pay its pro-rata share of costs to retain its 30% ownership of the property.

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4. RESOURCE PROPERTIES (cont'd)

iii) Western Australia—Yuinmery

The Company maintains a licence in this area. All rents have been paid and reports submitted as required to maintain the licence in good standing.

iv) South Australia—Martin's Well Project

During the three month's ended April 30, 2010, the Company entered into an agreement with Strategic Minerals Corporation whereby the Company may acquire a 70% interest in a mining licence, focusing on iron ore mineralization, in South Australia by spending AUD \$250,000 (CAD \$237,500) in exploration expenditures over a two year period.

The Company has a total of \$8,914 (January 31, 2010 - \$12,284) in guarantees for two properties in Australia regarding performance under two separate exploration licences. These funds are held as term deposits and are restricted from general operation business funds.

Kariba Project, Republic of Zambia, Africa

The Company has been granted two prospecting licences in Zambia near Lake Kariba. During the year ended January 31, 2010, the Company has entered into an agreement with African Energy Resources Zambia Ltd. ("African Energy") granting African Energy the option to acquire an initial 51% interest in these two licences in Zambia. Under the terms of the agreement, African Energy must spend at least AUD \$500,000 (CAD \$425,000) of exploration expenditures on the properties over a three year period. African Energy can increase its ownership to 70% through the completion of a Prefeasibility Study on an inferred resource. Once the required level of expenditures are made by African Energy, the Company must pay its pro-rata share of costs to retain its 49% ownership of the property.

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4. RESOURCE PROPERTIES (cont'd)

The following is a summary of exploration costs incurred by the Company for the six months ended July 31, 2010 and 2009 related to its resource properties which has been charged to operations.

	AUSTRALIA		ZAMBIA		SIX MONTHS ENDED JULY 31 2010
	South Australia	Northern Territory	Turce Creek	Lake Kariba	
JULY 31, 2010	\$	\$	\$	\$	\$
Drilling	—	—	—	—	—
Equipment rental	114	(1,903)	—	—	(1,789)
Field crew labour	—	—	—	—	—
Geological consulting	14,833	397	1,344	363	16,937
Geophysical and airborne surveying	12,097	—	—	—	12,097
Lab tests and assays	—	—	—	—	—
Maintenance, licence and staking fees	24,510	—	198	—	24,708
Maps and reproduction	38	762	—	—	800
Materials and field supplies	32	—	—	—	32
Meals and lodging	2,594	—	139	—	2,733
Telephone and communication	—	—	—	—	—
Travel and transport	287	—	—	—	287
	54,505	(744)	1,681	363	55,805
Recovery of exploration costs	—	—	—	—	—
Total exploration costs for the year	54,505	(744)	1,681	363	55,805

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4. RESOURCE PROPERTIES (cont'd)

	AUSTRALIA		ZAMBIA		SIX MONTHS ENDED JULY 31 2009
	Northern Territory	Yuinmery	Turee Creek	Lake Kariba	
JULY 31, 2009	\$	\$	\$	\$	\$
Drilling	—	—	—	—	—
Equipment rental	332	—	—	—	332
Field crew labour	1,332	725	43	—	2,100
Geological consulting	16,114	3,569	300	14,199	1,403
Geophysical and airborne surveying	—	—	—	—	—
Lab tests and assays	—	—	—	—	—
Maintenance, licence and staking fees	3,019	—	—	1,963	—
Maps and reproduction	—	—	—	—	—
Materials and field supplies	—	—	—	—	—
Meals and lodging	—	—	—	—	—
Telephone and communication	347	—	32	52	—
Travel and transport	—	524	—	—	431
	21,144	4,818	332	16,257	1,403
Recovery of exploration costs	(83,937)	—	—	—	—
Total exploration costs for the year	(62,793)	4,818	332	16,257	1,403
					43,954
					(83,937)
					(39,983)

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5. DEBENTURE PAYABLE

During the three months ended July 31, 2010 the Company received funds of \$100,000 pursuant to a debenture agreement with a company controlled by a director of the Company. The debenture is unsecured, bears interest at 10% per annum and is due on or before December 31, 2011. The debenture and any accrued interest owing is convertible into common shares of the Company at the lender's option at \$0.10 per share until December 31, 2011. The Company may repay the debenture at any time prior to maturity. A total of 1,000,000 common shares may be issuable in conjunction with the conversion of this debenture.

In accordance with generally accepted accounting principles, the fair value of the conversion option has been calculated using *the Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 1.45%; expected life of 1½ years; volatility of 167.9% and dividend yield of 0.0%. The resultant value of \$37,065 has been reclassified to contributed surplus and will be accreted over the life of the debenture. For the six months ended July 31, 2010, \$9,267 has been accreted and is included in interest and bank charges expense, along with accrued interest payable of \$1,397.

6. CAPITAL STOCK

Preferred Shares

Authorized: 10,000,000 Series "A" cumulative, redeemable, convertible preferred shares with a par value of \$1.00

Issued: Nil

Common Shares

	Number of Shares	Capital Stock	Share Issue Costs	Common Shares (net)
Authorized 500,000,000 common shares without par value				
Issued				
Balance as at January 31, 2010	74,092,975	\$ 13,402,635	\$ (1,171,366)	\$ 12,231,269
Issued for cash for private placement	6,000,000	300,000	—	300,000
Balance as at July 31, 2010	80,092,975	\$13,702,635	\$ (1,171,366)	\$ 12,531,269

During the three months ended April 30, 2010, the Company closed a non-brokered private placement raising \$300,000 through the issuance of 6,000,000 units at \$0.05 per unit, each unit consisting of one common share and one common share purchase warrant to purchase an additional common share of the Company for up to five years at \$0.10 per share.

Contributed Surplus

Balance, January 31, 2010	\$ 5,721,376
Modification of warrant terms (see below)	182,659
Fair value of conversion feature of debenture payable	37,065
Balance, July 31, 2010	\$ 5,941,100

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6. CAPITAL STOCK (cont'd)

Stock Options

The Company may grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock in accordance with the policies of the TSX Venture Exchange (“TSX”). The exercise price of each option is based on the market price of the Company's stock at the date of grant less an applicable discount in accordance with the TSX policies. The options can be granted for a maximum term of 5 years.

A summary of the stock options outstanding at July 31, 2010 is as follows:

	2010		2009	
	Number of Common Shares Issuable	Weighted Average Exercise Price \$	Number of Common Shares Issuable	Weighted Average Exercise Price \$
Options outstanding, beginning of the period	5,560,000	0.10	4,210,000	0.26
Granted	—	—	—	—
Exercised	—	—	—	—
Expired	(875,000)	0.10	(700,000)	0.25
Options outstanding, end of the period	4,685,000	0.10	3,510,000	0.26
Options exercisable	4,685,000	0.10	3,510,000	0.26

These options expire in various amounts from 2010 to 2014 and 275,000 of these stock options expired subsequent to July 31, 2010.

Warrants

A summary of the share purchase warrants outstanding at July 31, 2010 is as follows:

	2010		2009	
	Number of Common Shares Issuable	Weighted Average Exercise Price \$	Number of Common Shares Issuable	Weighted Average Exercise Price \$
Warrants outstanding, beginning of the period	27,378,186	0.31	18,518,519	0.42
Granted	6,000,000	0.10	8,859,667	0.08
Exercised	—	—	—	—
Expired	—	—	—	—
Warrants outstanding, end of the period	33,378,186	0.09	27,378,186	0.31

During the three months ended April 30, 2010, the Company received regulatory approval to reprice the exercise price of 18,518,519 warrants from \$0.42 per share to \$0.10 per share, expiring on April 26, 2011. The resultant incremental value of \$182,659 due to the modification of these warrants has been recorded as a charge to the deficit and a corresponding increase to contributed surplus. These warrants expire in various amounts in 2011 and 2015.

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7. INCOME TAXES

As at the Company's last fiscal year, January 31, 2010, the Company had the following estimated deductions available to reduce future taxable income, which can be carried forward indefinitely: \$9,412,000 of Canadian and foreign resource exploration expenditures and \$174,000 of undepreciated capital cost allowance. In addition, the Company has non-capital losses of \$4,397,000 available to reduce future taxable income which expire in various years from 2011 to 2030.

8. RELATED PARTY TRANSACTIONS

- (a) Related party transactions with directors and officers (or companies controlled by them) during the six months ended July 31, 2010 and 2009 are as follows:

	2010	2009
Consulting fees	\$ 5,000	\$ 5,000
Geological consulting (exploration expenses)	17,735	5,618
Interest and accretion on debenture	10,664	—
Rent	10,613	6,500

- (b) The balances due from related parties represent balances due from directors and officers or companies controlled by them. The amounts are non-interest bearing and have no specific terms of repayment.
- (c) The debenture payable is due to a company controlled by a director of the company and its terms are as outlined in Note 5.

Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

9. SEGMENTED INFORMATION

All of the Company's operations are in the mineral resource exploration industry with its principal business activity in the acquisition, exploration and development of mineral resource properties. The Company has resource properties located in Australia and Zambia. The location of the Company's resource properties and related expenditures by geographic area are outlined in Note 4. The equipment is located as follows: \$3,844 in Canada and \$37,364 in Australia.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

In conjunction with its accounting policies, the Company classified its financial instruments into the related categories. Cash and cash equivalents, restricted cash and deposits are classified as held-for-trading; accounts receivable are classified as loans and receivables and accounts payable and amounts due to related parties are classified as other financial liabilities. The carrying value of cash and cash equivalents, restricted cash, accounts receivable, deposits, accounts payable and amounts due to related parties approximates their fair value because of the short-term nature of these instruments.

The Company is subject to currency risk as it conducts operations in jurisdictions other than Canada, primarily being exposed to changes in the Canadian dollar compared to the Australian and United States dollars. The Company has not hedged its exposure to currency fluctuations, but does manage its cash resources to complement the denomination of the expenditures required. This risk is minimal due to significantly reduced operations.

The Company is subject to interest rate risk as it invests excess cash not immediately required for operations, in short-term investments. This risk is minimal as the Company does not have significant amounts of excess cash to invest and its investments are in instruments with short-term maturities.

The Company is not subject to significant credit risk as its receivables are due from government agencies, so the risk is minimal.

The Company is subject to liquidity risk in that the Company may not be able to meet its financial obligations as they come due. The Company manages this risk through the management of its capital structure as outlined in Note 1.

11. SUBSEQUENT EVENT

Subsequent to July 31, 2010, the Company announced its intention to raise funds of approximately \$400,000 through the issuance of 8,000,000 units at \$0.05 per unit. Each unit represents a common share plus a common share purchase warrant to purchase one additional common share at \$0.10 for a period of two years from closing.