

## LETTER OF TRANSMITTAL

This letter of transmittal must accompany certificate(s) for common shares of Valdez Gold Inc. (“Valdez”) following the consolidation of each of the issued and unissued common shares in the capital of Valdez (the “Common Shares”), on the basis that each 3.5 Common Shares shall become one (1) new Common Share (a “New Valdez Share”) pursuant to articles of amendment to be filed (the “Consolidation”). The letter of transmittal and share certificate(s) are required to be delivered pursuant to the request of Valdez that the holder thereof exchange his, her or its certificate(s) representing Common Shares for certificate(s) representing New Valdez Shares as set forth in this letter of transmittal.

### **PLEASE READ THE INSTRUCTIONS WHICH FOLLOW CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL**

Instructions to exchange Common Shares pursuant to the letter of Valdez to all shareholders dated November 12, 2010.

#### DEPOSITARY

By Hand or Mail:

Equity Financial Trust Company  
200 University Avenue  
Suite 400  
Toronto, Ontario M5H 4H1

e-mail: [investor@equityfinancialtrust.com](mailto:investor@equityfinancialtrust.com)  
phone: (416) 361-0152 or 1 (866) 393-4891  
facsimile: (416) 361-0470

Attention: Investor Department

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DESCRIPTION OF SHARES TO BE EXCHANGED

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PRINT NAME AND ADDRESS OF  
REGISTERED OWNER(S)  
(Please fill in)

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Certificate(s) Tendered  
(Please provide certificate Number(s))

Number of Common Shares represented by  
Certificate(s)

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Total Shares Tendered

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To whom it may concern:

The undersigned hereby agrees to exchange the undersigned's Common Shares on the basis that the undersigned shall receive one (1) New Valdez Share for every 3.5 Common Shares exchanged and irrevocably delivers herewith the certificate(s) for Common Shares. The undersigned acknowledges that no fractional New Valdez Shares will be issued. Each fractional New Valdez Share that is less than one-half of a New Valdez Share will be cancelled, without any compensation therefor. Each fractional New Valdez Share that is at least one-half of a New Valdez Share will be changed to one whole New Valdez Share.

The undersigned represents that the undersigned is the owner of the Common Shares represented by the certificate(s) delivered herewith, with good and marketable title thereto, free and clear of all mortgages, liens, charges, encumbrances, security interests and adverse claims, and that the undersigned has full power and authority to exchange such certificate(s) for certificate(s) representing New Valdez Shares.

In consideration of the foregoing, the undersigned hereby requests that the New Valdez Shares deliverable pursuant to the exchange of shares in connection with the Consolidation be issued in and delivered to the name and address set out below, unless otherwise indicated.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Guarantor

\_\_\_\_\_  
(Signature of shareholder as indicated on back of certificate(s), or authorized representative as agent with authority attached)

### INSTRUCTIONS

(Forming Part of this Letter of Transmittal)

1. Delivery of Letter of Transmittal and Certificates. This letter of transmittal, or a facsimile thereof, signed by the registered holder(s) of the shares, must be mailed or delivered to and received by the Depository as transfer agent and register of the New Valdez Shares.
2. Signatures on Letters of Transmittal, Stock Powers and Endorsements. If this letter of transmittal is executed by a person other than the registered owner(s) of the Common Shares represented by the accompanying share certificate(s), or if the new share certificate(s) are to be issued to a person other than the registered owner(s) or is to be sent to an address other than the address of the registered owner(s) as shown on the registers of Valdez shareholders maintained by Valdez' transfer agent, such signature must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depository.

An "Eligible Institution" means a major Canadian Schedule 1 chartered bank, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

If this letter of transmittal is executed by an officer on behalf of a corporation or by an executor, administrator, trustee, attorney, agent or other person acting in a fiduciary or representative capacity, proper documentary evidence must be furnished of the authority of the person executing the same.

If this letter of transmittal is signed by the registered holder of the certificate(s) delivered hereby, the signature must correspond with the name as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

Questions regarding any signatures or evidences of authority may be referred to the Depositary.

3. Method of Delivery of Letter of Transmittal and Certificate(s). The method of delivery of share certificate(s) and all other required documents is at the election and risk of the shareholder, but it is recommended that such share certificate(s) and other documents be sent by registered mail with return receipt requested and properly insured.
4. Multiple Registrations. If a shareholder's shares are registered differently on several certificates, it will be necessary for such shareholder to complete, sign and submit as many separate letters of transmittal as there are different registrations of such shareholder's shares.
5. Irregularities. All questions as to the validity, form and acceptance of any share certificates will be determined by the board of directors of Valdez, whose determination (and interpretation of the terms and conditions of the Consolidation, including this letter of transmittal and these instructions) will be final and binding. Valdez reserves the absolute right to reject any or all deliveries of any particular certificates that in Valdez' opinion are not in appropriate form or the acceptance of which would, in the opinion of Valdez' counsel, be unlawful. Valdez also reserves absolute right to waive any condition to the exchange, or any defect or irregularity in the deposit, of any share certificates. Valdez and the Depositary will not be under any duty to give notification of defects or irregularities and will not incur any liability for failure to give any such notice.
6. Requests for Assistance or Additional Copies. Questions and requests for assistance or additional copies of this letter of transmittal may be directed to the Depositary.
7. Additional Certificates or Transfers. If more than one certificate is requested, a reasonable fee per additional certificate may be charged. If a certificate is to be registered in a name other than that of the registered holder, a reasonable transfer fee for the first certificate may be charged.