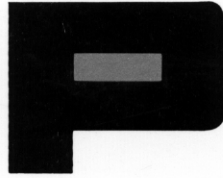


SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE

## STATEMENT OF MATERIAL FACTS (#26/88)

EFFECTIVE DATE: MARCH 30, 1988



# PEZGOLD RESOURCE CORPORATION

1550 - 609 Granville Street, Vancouver, B.C. V7Y 1C6 687-3303  
NAME OF ISSUER, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

100 - 200 Granville Street, Vancouver, B.C. V6C 1S4  
ADDRESS OF REGISTERED AND RECORDS OFFICES OF ISSUER

### GUARANTY TRUST COMPANY OF CANADA

2nd Floor - 800 West Pender Street, Vancouver, B.C. V6C 2V7  
NAME AND ADDRESS OF REGISTRAR AND TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

The securities offered hereunder are speculative in nature. Information covering the risks involved may be obtained by reference to this document. Further clarification, if required, may be sought from a broker.

The securities offered hereunder are subject to a minimum subscription of 2,000,000 units. Reference is made to the heading "Minimum Subscription" herein.

### OFFERING: 2,000,000 Units

Each Unit consists of One Common Share, one Series "B" Warrant and one Series "C" Warrant. Two Series "B" Warrants will entitle the holder thereof to purchase one additional common share of the Issuer at any time up to the close of business within one year following the Offering Day at a price to be determined in accordance with the rules of the Vancouver Stock Exchange. Two Series "C" Warrants will entitle the holder thereof to purchase one additional common share of the Issuer at any time up to the close of business within two years following the Offering Day at a price to be determined in accordance with the rules of the Vancouver Stock Exchange. One Series "B" Warrant and one Series "C" Warrant cannot be exercised together to acquire an additional Common Share of the Issuer.

	Estimated Price to Public *	Estimated Brokers' Commission	Estimated Net Proceeds to Issuer
Per Unit: .....	\$3.50	\$0.2625	\$3.2375
Total: .....	\$7,000,000	\$525,000	\$6,475,000

\* To be calculated in accordance with the rules of the Vancouver Stock Exchange.

#### Agents:

#### Canarim Investment Corporation Ltd.

2200 - 609 Granville Street  
Vancouver, B.C. V7Y 1H2

#### Midland Doherty Limited

11th Floor - 595 Burrard Street  
Vancouver, B.C. V7X 1C3

#### Continental Carlisle Douglas

10th Floor - 1055 Dunsmuir Street  
Vancouver, B.C. V7X 1L4

#### Merit Investment Corporation

1500 - 625 Howe Street  
Vancouver, B.C. V6C 2T6

#### Yorkton Securities Inc.

1400 - 609 Granville Street  
Vancouver, B.C. V7Y 1G5

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

1. PLAN OF DISTRIBUTION

A. The Offering

By Agreement dated for reference March 17, 1988 (the "Agency Agreement"), Pezgold Resource Corporation (the "Issuer") appointed the following as its agents (the "Agents") to offer to the public on a best efforts basis through the facilities of the Vancouver Stock Exchange (the "Exchange") 2,000,000 units of the Issuer (the "Units") in the amounts set opposite their respective names (the "Offering"):

<u>Agents</u>	<u>No. of Units</u>
Canarim Investment Corporation Ltd.	800,000
Midland Doherty Limited	500,000
Continental Carlisle Douglas	400,000
Yorkton Securities Inc.	200,000
Merit Investment Corporation	100,000

The offering price of the Units (the "Offering Price") will be determined in accordance with the rules of the Exchange; however, the Offering Price shall not be less than \$3.50 per Unit. The purchasers of any Units under the Offering will be required to pay regular commission rates as specified by the by-laws and rules of the Exchange.

The Offering will take place on the "Offering Day", which will be not more than Thirty (30) business days after the date this Statement of Material Facts is accepted for filing by the Exchange and the Superintendent of Brokers (the "Effective Date").

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers who may or may not be offered part of the commissions derived from this Offering.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events before the opening of the market on the Offering Day; however, if any of the Units are sold, the Agents are obligated to act as agents pursuant to the Agency Agreement.

The Issuer has agreed to notify the Agents of any further public equity financing that it may require or propose to obtain during the twelve-month period following the Effective Date and the Agents shall have the right of first refusal to provide such financing.

thereafter, be forever released and discharged from any obligations, covenants and agreements contained in the Agreement.

The Rules of the Exchange require the prior approval of the shareholders of a company where a private placement transaction may result in a change in the effective control or creation of a control block. Upon the completion of the private placement, the Issuer will hold approximately 20% of the issued and outstanding shares of North American. North American will be seeking the approval of its shareholders to the private placement at an Extraordinary General Meeting of Shareholders to be held before April 30, 1988. Should shareholder approval not be granted or should North American not receive all necessary regulatory approvals for the private placement, then the proceeds of this Offering will be applied to working capital of the Issuer. Thereafter, the Issuer may wish to spend all or part of the proceeds on the exploration and development of its present resource properties upon the recommendations of a qualified engineer or geologist. In addition, should the Issuer wish to spend all or part of the proceeds on the acquisition of new assets or resource properties, it will only do so with the prior approval of the Exchange where such approval is required.

Pursuant to an agreement dated March 3, 1988 (the "Guarantee") between the Issuer; North American; Prime Capital Corporation, of 1540 - 609 Granville Street, Vancouver, British Columbia, V7Y 1C6 ("Prime"); and Bryan Williams, Q.C. (the ("Trustee"), Prime has agreed to guarantee full and prompt payment by the Issuer of all sums that may become due and payable to North American pursuant to the Agreement. The Guarantee provides that Prime shall deposit with the Trustee certain securities sufficient in value to provide for payment of the North American shares pursuant to the Agreement and to be held pending the completion of the private placement. In the event the Issuer fails to make payments pursuant to the provisions of the Agreement, and upon notice being given to Prime in writing specifying such default and Prime not making such payment on behalf of the Issuer due under the Agreement, then the Trustee may thereupon sell such portion of the deposit of the securities as shall be necessary to discharge the amount due by the Issuer pursuant to the Agreement.

In consideration of Prime guaranteeing the Issuer's obligations pursuant to the Agreement, the Issuer has agreed to issue 10,250 common shares in the capital of the Issuer to Prime for each month that the guarantee obligation remains extant to a maximum consideration of 123,000 shares. The issuance of the shares of the Issuer is subject to regulatory approval.

#### North American and the Golden Bear Property

North American was incorporated under the Company Act of British Columbia on June 22, 1983, and become a reporting company on March 8, 1984. On July 4, 1984, North American's

common shares were listed for trading on the Vancouver Stock Exchange.

North American's major property is located in north-western British Columbia, 140 kilometres west of Dease Lake in the Atlin Mining District of British Columbia (the "Golden Bear Property"). North American holds a 50% joint venture interest in the Golden Bear Property with Chevron Minerals Ltd.

The Golden Bear Property covers the south end of a 20-kilometre long gold bearing hydrothermal system. Surface exploration work on the property has identified three mineralized zones within the system: the Bear, the Fleece and the Totem zones. These zones are aligned along a common structural trend. Most of the system remains unexplored.

A production feasibility study was completed in July, 1987 by Wright Engineers Limited, of Vancouver, British Columbia. The feasibility study indicates that the property can be placed into commercial production subject to obtaining necessary financing and government approvals. Estimated capital cost of a 360 tonne per day facility is estimated to be \$36,000,000.00. The mine would produce, on average, approximately 64,000 ounces of gold per year at a cash cost of approximately \$185.00 (Cdn.) per ounce.

A Wright Engineers Limited reserve calculation identified a proven and probable mineral inventory base totalling 1,635,000 tonnes at an average grade of 10.85 grams gold per ton as described below:

Mineral Inventory

<u>Bear Zone</u>	<u>Tonnes Ore</u>	<u>Gold Grade Grams Per Ton</u>	<u>Contained Grams Gold</u>
Proven	844,000	13.60	11,545,540
Probable	<u>370,000</u>	<u>7.51</u>	<u>2,780,460</u>
Total:	1,219,000	11.75	14,326,000
 <u>Fleece Zone</u>			
Drill Indicated	<u>416,000</u>	<u>8.20</u>	<u>3,411,200</u>
Total - All Categories	1,635,000	10.85	17,737,200

Within the Bear Zone mineral inventory, Wright Engineers Limited identified 597,065 dry tonnes of proven and probable diluted mineral reserves at an average grade of 18.63 grams gold per ton.

The net proceeds derived from the Offering will be paid to North American in order to be utilized toward the estimated capital cost of establishing a mining facility on the Golden Bear Property. Additionally, it is the intention of the Issuer to provide assistance in future funding and raising of capital in order to aid North American in meeting its expenditure commitments pursuant to its joint venture with Chevron Minerals Ltd.

North American is currently the target of a takeover bid by Homestake Mining (B.C.) Limited, a wholly owned subsidiary of Homestake Mining Company, a company organized under the laws of the State of Delaware, United States ("Homestake"). The Homestake offer is made to and for any and all of the issued and outstanding common shares of North American at a price of \$4.00 per share. The offer is open for acceptance until 12:00 midnight Eastern Time on March 31, 1988, unless the offer is extended or withdrawn by Homestake.

North American has issued a Directors' Circular dated March 15, 1988 to its shareholders in connection with the Homestake takeover offer. The Directors' Circular discloses that North American has engaged Wood Gundy Inc. as financial advisor to assess the Homestake offer, to assist in the negotiation of and to assess any other offers that may be forthcoming, and, if required, to provide the Board of Directors of North American with a fairness opinion regarding any offer made to shareholders. Pursuant to a Notice of Change to the Directors' Circular dated March 23, 1988 issued by North American to its shareholders, the Board of Directors of North American stated that they are of the opinion, confirmed by the independent financial advice of Wood Gundy Inc., that the Homestake takeover offer does not provide an adequate premium for control of North American, nor does it reflect the improved circumstances that have developed since the date of the takeover offer. Accordingly, the Board of Directors of North American unanimously recommended that investors reject the Homestake takeover offer.

No insider or promoter of the Issuer has held any interest in any of the assets, property or business of North American during the past three years.

## 5. CORPORATE INFORMATION

The Issuer was incorporated under the name "Pezamerica Resource Corporation" on January 26, 1987 as a limited company pursuant to the laws of British Columbia. As a result of a resolution of shareholders of the Issuer passed at an Extraordinary General Meeting held September 30, 1987, the Issuer changed its name to "Pezgold Resource Corporation", effective October 5, 1987. The Issuer's wholly owned subsidiary, Pezamerica Resource, Inc. (U.S.), was incorporated on June 17, 1987 as a limited company pursuant to the laws of the State of Nevada.

The authorized capital of the Issuer consists of 20,000,000 common shares without par value, of which 3,985,000 shares are issued and outstanding as fully paid and non-assessable. The Issuer has also issued 2,000,000 Series "A" share purchase warrants, two such warrants entitling the holder thereof to purchase one common share of the Issuer at a purchase price of \$2.25 per share up to and including February 1, 1989.

There is only one class of shares and all rank equally as to dividends, voting rights and participation in assets. There are no conversion rights, no special liquidation rights, no preemptory rights or subscription rights attaching to any of the shares of the Issuer.

The Issuer holds 53,133 Class "A" shares and 26,567 Class "B" shares in the capital of Galveston Resources Ltd. These investments had a quoted market value of \$358,650.00 as at February 29, 1988.

**6. DIRECTORS, OFFICERS, PROMOTERS AND PERSONS HOLDING MORE THAN 10% OF THE ISSUED EQUITY SHARES**

Directors, Officers and Promoters of the Issuer

<u>Name, Address &amp; Present Office Held</u>	<u>No. of Shares of Issuer Beneficially Owned</u>	<u>Principal Occupation</u>
LESLIE REES MacCONNELL 501 Dryad Court Santa Monica, California  Director	165,300	Financier; Director of 17 reporting companies, including International Maple Leaf Resources Ltd.
NELL MARIE DRAGOVAN 1750 Drummond Drive Vancouver, B.C.  Director and Member of Audit Committee	53,100	Financier; Director of 16 reporting companies, including Mac-Am Resources Corporation.