680132
Iron Colt
82F/4

(904 - 675 West Hastings
Bert Reeves

No securities commission or similar regulatory authority in Canada has passed on the merits of the securities offered nor has it reviewed this Offering Memorandum and any reference to the contrary is an offence.

OFFERING MEMORANDUM   DATED: MARCH 27, 1991

VANGOLD RESOURCES INC.
Suite 12 - 566 Cardero Street
Vancouver, B.C.
V6G 2W6

600,000 UNITS

Each Unit consists of one common share and one non-transferable share purchase warrant, each warrant entitling the subscriber to purchase a further common share for a period of one year at a price of $0.40 per share.

	Price	Net Proceeds
Per Share	$ 0.35	$ 0.35
Total	$210,000.00	$210,000.00

These securities are considered to be speculative - See "Risk Factors". The resale of the common shares offered hereunder is restricted under the rules of the Vancouver Stock Exchange and applicable securities legislation for a period of at least 12 months from the date of the subscriber's subscription - See "Risk Factors" and "Restrictions on Resale of Securities".

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SUMMARY

THE FOLLOWING IS A SUMMARY ONLY. REFERENCE IS MADE TO THE DETAILED INFORMATION APPEARING ELSEWHERE IN THIS OFFERING MEMORANDUM.

THE OFFERING

Issuer: Vangold Resources Inc.

Offering: 600,000 Units, each Unit consists of one common share and one non-transferable share purchase warrant, each warrant entitling the subscriber to purchase a further common share for a period of one year at a price of $0.40 per share.

Price: $0.35 per share

Use of Proceeds: The net proceeds of this offering will be $210,000.00 which will be used for general working capital.

Risk Factors: The securities offered hereby are speculative investments. The properties in which the Issuer has an interest are in the exploration and development stage only and are without a known body of commercial ore. Exploration for minerals is a speculative venture necessarily involving substantial risk. **The common shares of the Issuer may not be resold or otherwise disposed of in British Columbia for a period of 12 months. See "Risk Factors" and "Restrictions on Resale of Shares".**

THE ISSUER

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mining properties.

The Issuer holds an option to acquire upto a 60% interest in certain mineral claims, known as the North Belt Property, which covers an area of approximately 700 hectares in the Trail Creek Mining Division, British Columbia. The Issuer's most recent preliminary exploration program on the North Belt Property consisted of diamond drilling totalling 6,157 feet with 16 holes drilled. Previous work on the claim and surrounding area consisted of extensive geological mapping, rock geochemical sampling, electromagnetic geophysical surveying (VLF-EM, PEM) and coincident diamond drilling totalling 37,558 feet in 92 holes.

Diamond drilling results to date on the North Belt Property allow for an inferred mineral inventory of 187,634 tons grading 0.41 oz. gold ("Au")/ton. Contained within this estimate is

22,000 tons of drill indicated ore grading 1.5 oz. Au/ton on the Iron Colt claim, 18,642 tons of drill indicated ore grading 0.5 oz. Au/ton on the Evening Star claim and 51,810 tons of drill indicated ore grading 0.23 oz. Au/ton on the Georgia Claim.

The Issuer also holds an option to acquire a 100% interest in the Jero 2 - 11 (excluding #9) mineral claims, known as the Jero Claims, covering an area of approximately 2,650 hectares (6,625 acres) in the Trail Creek Mining Division, British Columbia. To date the Issuer has not carried out any exploration on the Jero Claims.

Since October 9, 1990 nineteen (19) additional mineral claims (the "South Border Claims") south of Rossland totalling approximately 1,925 hectares (4,812.5 acres) have been staked and optioned by third parties on behalf of the Issuer. The South Border Claims extend south from the Jero Claims to the American border. Although numerous old pits with surface samples up to 1.0 oz. Au/ton exist on the South Border Claims, they remain largely unexplored. No work is planned on these properties in the near future.

NAME AND ADDRESS

Vangold Resources Inc. (the "Issuer") is a reporting British Columbia company the shares of which trade on the Vancouver Stock Exchange.

The Issuer's head office is located at Suite 12, 566 Cardero Street, Vancouver, British Columbia. The registered and records office of the Issuer is located at 12th Floor, 1190 Hornby Street, Vancouver, British Columbia.

DESCRIPTION OF BUSINESS AND PROPERTY

Business

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has an interest in the properties described below under the heading "Property" and intends to seek and acquire additional properties worthy of exploration and development.

Property

A. *North Belt Property,*
Trail Creek Mining Division, British Columbia

Pursuant to an option agreement (the "Option Agreement") dated for reference November 1, 1990 as amended by an amending agreement dated March 15, 1991, entered into by and between Dal Brynelsen, Peter Perry and Donald Harris, all businessmen, having an office at #12, 566 Cardero Street, Vancouver, British Columbia (collectively the "Optionors") and the Issuer, the Issuer has been granted an option to acquire up to a 60% undivided interest in certain claims (the "North Belt Property") located in the Trail Creek Mining Division of the Province of British Columbia.

The Issuer initially has the right to acquire a 50% undivided interest in and to the North Belt Property, free and clear of all charges, encumbrances and claims except for certain royalties set out in the Option Agreement by:

i) paying the Optionors the sum of $10,000.00 on execution of the Option Agreement, and an additional $90,000.00 on or before the earlier of November 1, 1991 and that date which is ten business days following the completion of a Statement of Material Facts;

ii) incurring exploration expenditures of not less than $500,000.00 on the North Belt Property on or before October 19, 1992 of which not less than $200,000.00 must be expended on or before October 19, 1991; and

iii) issuing 50,000 shares upon Vancouver Stock Exchange approval to the Option Agreement (which shares have been issued), 50,000 shares upon incurring $200,000.00 of exploration expenditures on the North Belt Property (which shares have been issued) and 50,000 shares upon incurring an aggregate of $500,000.00 of exploration expenditures on the North Belt Property.

Once this initial option has been exercised, the Issuer has a further option to acquire an additional undivided 10% interest in the North Belt Property by incurring a further $250,000.00 on exploration expenditures on or before October 19, 1993 and issuing a further 50,000 shares upon incurring such expenditures.

Finally, in the event the North Belt Property is put into commercial production, the Issuer is obligated to issue a further 100,000 shares to the Optionors.

The Issuer paid a finder's fee of 50,000 common shares to Ms. Lynda Tolmie of 2604 Mathers Avenue, West Vancouver, British Columbia in connection with the option agreement.

The Optionors obtained their interest in the North Belt Property by an agreement dated October 19, 1990 entered into between the Optionors, Antelope Resources Inc. ("Antelope") of #12, 566 Cardero Street, Vancouver British Columbia and Bryndon Ventures Inc. ("Bryndon") of 2001, 520 - 5th Avenue, S.W., Calgary, Alberta. Antelope and Bryndon granted the Optionors an option to acquire up to a 60% interest in the North Belt Property in consideration of the Optionors spending $750,000.00 of exploration expenditures on the North Belt Property. Antelope and Bryndon staked some of the North Belt Property and were granted options to acquire the balance of the North Belt Property under three separate option agreements.

The Optionors funded approximately $70,000.00 of exploration expenditures on the North Belt Property prior to optioning same to the Issuer and the cash payment portion of the consideration due to the Optionors is to reimburse them for such expenditures and related costs. The Issuer has spent approximately $220,750.00 on exploration expenditures to date, and has thus already satisfied its committment to October 19, 1991. Based on these expenditures and pursuant to the terms of the Option Agreement, the Issuer has issued the Optionors a further 50,000 common shares.

The following is a summary of the Engineering Report dated March 25, 1991 prepared by Dan M. Wehrle, B.Sc. Honours Geology, on the North Belt Property.

The North Belt Property is located approximately six kilometers west of Trail and just north of the town of Rossland and includes certain crown granted reverted crown granted mineral claims and fractional mineral claims and comprises a total area of approximately 700 hectares. The claims are centred at latitude 49 05' north and longitude 117 50' west and are accessed by paved highway and secondary roads.

The Rossland district is mountainous, varying in elevation from about 1,000 to 2,000 metres above sea level. Most of the claim area contains treelined slopes and brush covered valleys. Outcrop exposure is sparse on hilltops and rare at lower elevations due to a thin but pervasive regional cover of glacial till.

The North Belt Property comprises a total area of approximately 1,730 acres. Production from the Rossland area during the period 1891 to 1928 totalled 6,200,000 tons at a recovery grade of 0.47 oz. gold ("Au")/ton, 0.60 oz. silver ("Ag")/ton and 1% copper, making Rossland the second largest gold producer in Western Canada. The gold mines of Rossland were also the founding asset of the Cominco organization. From 1966 to 1972, 939,000 tons of molybdenum ("Mo") ore grading 0.2% Mo was mined by open pit from a breccia system located 1 kilometre northwest of the former producing Le Roi gold mines.

Gold mineralization is of the mesothermal type and usually takes the form of massive sulphide veins composed of pyrrhotite, pyrite, arsenopyrite and chalcopyrite. Ore concentrations occur in lower Jurassic Rossland volcanics in shear/vein systems marginal to a monzonite intrusion of late Jurrasic age.

Exploration activity carried out by the Antelope/Bryndon joint venture on the North Belt Property began in mid-1988 and carried on until July 1, 1990. Initial programs of geological mapping, rock geochemical sampling and electromagnetic geophysical surveying (VLF-EM, PEM) were carried out. Coincident geological, diamond drilling totalled 37,558 feet. The bulk of this drilling was carried out on the Evening Star and Iron Colt claims. The results of drilling on the Evening Star claim were successful in defining valuable concentrations of Au mineralization, including 15.8 feet (4.83 metres) grading 1.04 oz. Au/ton. Those drill holes that did not intersect economic mineralization either intersected weaker points along the mineralized structure or passed through post-mineralization dikes at the projected target. According to Mr. Wehrle, using a 0.1 oz. Au/ton cut-off, the Evening Star area contains reserves in the possible ore category of 100,224 tons grading 0.31 oz. Au/ton. Contained within this estimate is 18,642 tons grading 0.5 oz. Au/ton which would be considered drill indicated ore and is easily accessible from existing workings. This drill indicated ore could possibly be profitably mined on a contract basis or in conjunction with other deposits in the area. Preliminary discussions have been carried out with representative of Nu-Dawn Resourcas Inc. who prepose to mine the drill indicated ore on the Evening Star claim under contract with the Issuer.

Three drill holes were recently completed by the Issuer on the Evening Star, Main Zone. Hole NB-91-9 returned 3.3 feet of 0.12 oz. Au/ton. Hole NB-91-10 intersected dike material at the projected zone and hole NB-91-11 returned 10.2 feet of 0.8 oz. Au/ton.

On the Iron Colt claim, geophysical surveying detected a strong EM anomaly on the eastern half. Due to the presence of up to 10 metres of glacial overburden cover, it was impossible to test the presence of this anomaly geochemically, but geologically it was located along the northeast extension of the Le Roi mineralized trend. The first test hole in the Antelope/Bryndon program, 89-87, intersected 8.2 feet (2.55 metres) of 7.1 oz. Au/ton in a steeply dipping, east-northeast trending shear system at the intrusive volcanic contact. Subsequent drilling outlined a multiple veined of up to 1.3 feet (0.4 metres) of 4.87 oz. Au/ton. Again, post-mineralization diking resulted in 50% of the drill holes to intersect either feldspar porphyry or lamprophyre dikes at the projected mineralized zone.

Since acquiring the option on the North Belt Property and during December, 1990, the Issuer drilled 5 holes on the high grade portion of the Iron Colt structure, NB-91-1, 2, 6, 7 and 8. All except two were successful in hitting this zone, intersecting 6.4 feet (1.8 metres) of 0.24 oz. Au/ton in NB-91-1, 6.5 feet (2.0 metres) grading 6.4 oz. Au/ton in NB-91-2, and 8.9 feet of 5.0 oz. Au/ton in NB-91-8 from 169 to 177.9 feet. Included in this intersection was a 1.6 foot section grading 25.1 oz. Au/ton. Hole NB-91-8 was targeted 150 feet below ground on the high grade Iron Colt vein and 50 feet east of an intersection grading 7.1 oz. Au/ton over 8.4 feet in hole number 89-87. According to Mr. Wherle, this zone could be reached from underground by the opening up and extending 330 feet of the Alberta tunnel workings which were excavated in 1898. As well access may be possible from the Kootenay-Columbia #6 tunnel which comes within 400 feet and below the Iron Colt reserves.

Drill holes NB-91-3, 4 and 5 targeted on the Bedspring and Georgia trends returned anomalous values of Au, although complete assays are pending.

On the Gertrude claim, initial soil sampling by the Antelope/ Bryndon joint venture indicated anomalous gold, copper and molybdenum values. The Issuer decided to follow up these soil anomalies with a detailed VLF-EM geophysical survey and program. Strong and continuous VLF-EM anomalies were found to correspond very well with the anomalous soil values. Also a strong massive sulphide vein, up to 10 feet wide and containing massive prior pyrrhotite, pyrite, arsenopyrite and chalcopyrite was found to be coincident with the strongest geophysical and geochemical anomalies. Sampling of this vein has been completed with assays showing up to 0.5 oz. Au/ton. This vein is interpreted to be western extension of the War Eagle/Number One vein which produced an estimated 600,000 ounces of gold between 1894 and 1928 and lies directly east and adjacent to the Gertrude claims. The Issuer has completed five diamond drill holes on the Gertrude claim, NB-91-12 to 16. Complete assays are pending for these holes.

Based on the fact that recent exploration efforts on the North Belt Property have been successful in locating significant quantities of high grade gold mineralizations along several zones. Drilling results to date allow for an inferred mineral inventory of 187,634 tons with an average grade of 0.41 oz. Au/ton. This does not include preliminary results obtained from the Issuer's ongoing drill program. According to Mr. Wehrle, the extent of these deposits is as yet unknown, but some may prove to be economically viable, especially the Iron Colt and Evening Star Main and Iron Colt Zones. Mr. Wehrle has recommended an exploration program consisting primarily of further diamond drilling on the Iron Colt reserves. The cost of the recommended exploration program is $90,090.00 with option payments of $45,000.00 for a total of $135,090.00.

The Issuer does not intend to spend any of the proceeds of this offering on exploration and development of the North Belt Property. The North Belt Property has no known ore reserves.

B. South Belt Property,
Trail Creek Mining Division, British Columbia

Pursuant to an option agreement dated November 6, 1990 (the "Gunsteel Agreement"), entered into by and between the Issuer, Gunsteel Resources Inc. ("Gunsteel") of 704 - 850 West Hastings Street, Vancouver, British Columbia and Antelope of #12 - 566 Cardero Street, Vancouver, British Columbia, the Issuer was granted an option (the "Gunsteel Option") to acquire an undivided 100% interest subject to a 3% Net Smelter Return Royalty to Gunsteel and 1% Net Smelter Return Royalty to Antelope in the Jero 2 - 11 (excluding #9) mineral claims located immediately to the south of Rossland, British Columbia. These claims comprise part of the "South Belt Property". The Issuer may exercise the option by making cash payments to Gunsteel as follows:

(a) $20,000.00 on execution of the agreement (payment of which has been made);

(b) $10,000.00 on or before July 1, 1991;

(c) $15,000.00 on or before October 31, 1991;

(d) $50,000.00 on or before October 31, 1992; and

(e) $55,000.00 on or before October 31, 1993.

Once the Issuer makes the aforementioned option payments, it will have acquired a 100% interest in the Jero claims subject to a 3% net smelter return royalty payable to Gunsteel and a 1% net smelter return royalty payable to Antelope.

The Issuer does not intend to spend any of the proceeds of this offering on exploration and development of the Jero claims. The Jero claims have no known ore reserves.

C. *South Border Property*
Rossland, British Columbia

Since October 9, 1990 nineteen (19) additional mineral claims (the "South Border Claims") south of Rossland totalling approximately 1,925 hectares (4,812.5 acres) have been staked and optioned by third parties on behalf of the Issuer. The South Border Claims extend south from the Jero Claims to the American border. Although numerous old pits with surface samples up to 1.0 oz. Au/ton exist on the South Border Claims, they remain largely unexplored.

The Issuer does not intend to spend any of the proceeds of this offering on exploration and development of the South Border Claims. The South Border Claims have no known ore reserves.

PLAN OF DISTRIBUTION

Offering

The Issuer hereby offers, on a private placement basis, up to 600,000 Units at a price of $0.35 per Unit for total proceeds of $210,000.00. Each Unit shall consist of one common share of the Issuer and one non-transferable share purchase warrant, each warrant entitling the subscriber to purchase a further common share for a period of one year at a price of $0.40 per share. The offering price of the Units was determined by the Issuer in accordance with the policies of the Vancouver Stock Exchange.

Warrants

The share purchase warrants to be issued by the Issuer as part of the Units will contain, among other things, anti-dilution provisions and provision for appropriate adjustment in the class, number and price of shares issuable pursuant to any exercise shares of the Issuer, or the payment of stock dividends. The warrants will be non-transferable.

THIS OFFERING IS NOT SUBJECT TO ANY MINIMUM SUBSCRIPTION LEVEL, AND THEREFORE ANY FUNDS INVESTED ARE AVAILABLE TO THE ISSUER AND NEED NOT BE REFUNDED TO THE SUBSCRIBER.

The directors, officers and other insiders of the Issuer may purchase Units from this offering.

Subscription Procedure

A subscriber wishing to subscribe for the Units must execute a Private Placement Subscription Agreement, Vancouver Stock Exchange Private Placement Questionnaire and Undertaking and British Columbia Superintendent of Brokers Acknowledgement and Undertaking in the forms accompanying this Offering Memorandum and return them to the Issuer, together with a certified cheque, bank draft or money order for the subscription amount, payable to the Issuer. Any subscription funds may be used by the Issuer to carry out the exploration programs described in this Offering Memorandum pending regulatory approval and closing which will occur forthwith after the receipt of all securities regulatory approvals.

USE OF PROCEEDS

The estimated net proceeds of $210,000.00 to be derived by the Issuer from the offering (if all the Units are sold) shall be used for general working capital.

EXEMPTIONS FROM PROSPECTUS REQUIREMENTS

The statutory exemptions from the requirements of filing a prospectus on which the Issuer intends to rely to effect the distribution of the securities pursuant to this Offering Memorandum are:

1. In British Columbia, section 76(a) and 117(a) of the Securities Regulation which provides that the distribution is exempt where:

   (a) during the 12 month period preceding the trade, sales under this exemption have been made to not more than 49 different purchasers;

   (b) the purchaser is

      (i) a sophisticated purchaser, being a person who by virtue of his net worth and investment experience or his consultation with or advice from a person who is not an insider of the issuer, but who is a registered adviser or a registered dealer, is able to evaluate the prospective investment on the basis of information respecting the investment provided by the issuer,

(ii) a spouse, parent, brother, sister or child of a senior officer or director of the issuer, or of an affiliate of the issuer, or

(iii) a company, all the voting securities of which are beneficially owned by one or more of a spouse, parent, brother, sister or child of a senior officer or director of the issuer, or of an affiliate of the issuer;

(c) the purchaser purchases as principal;

(d) the offer and sale of the security is not accompanied by an advertisement and no selling or promotional expenses have been paid or incurred in connection with the offer and sale, except for professional services or for services performed by a registered dealer or a person duly acting as a finder; and

(e) an offering memorandum is delivered to the purchaser.

2. In British Columbia, sections 76(b) and 117(b) of the Securities Regulation which provides that the distribution is exempt where:

(a) the purchaser purchases as principal;

(b) the purchaser is a sophisticated purchaser, being a person who by virtue of his not worth and investment experience or his consultation with or advice from a person who is not an insider of the issuer, but who is a registered adviser or a registered dealer, is able to evaluate the prospective investment on the basis of information respecting the investment provided by the issuer;

(c) the aggregate acquisition cost to the purchaser is not less than $25,000; and

(d) an offering memorandum is delivered to the purchaser.

CORPORATE INFORMATION

The Issuer was incorporated on August 11, 1978 under the Company

Act (British Columbia) under the name "Lightning Minerals Inc." by the registration of its Memorandum and Articles.

On September 2, 1988 the Issuer consolidated its common shares on a four into one share basis and changed its name from "Lightning Minerals Inc." to its present name.

The authorized capital of the Issuer consists of 20,000,000 common shares without par value.

The common shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. The issued common shares are not subject to calls, assessments, pre-emptive rights or conversion rights. There are no provisions attached to such shares for redemption, cancellation, surrender, sinking funds or purchase funds. Provisions as to the modification, amendment or variations of such rights or such provisions are contained in the Company Act (British Columbia).

All shares of the issuer issued to date and those issued pursuant to this Offering Memorandum are and shall be fully paid and non-assessable.

SHARE CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount issued and outstanding as at date of most recent Balance Sheet in this Offering Memorandum	Amount outstanding as at the date of this Offering Memorandum	Amount to be outstanding if all securities being issued under this Offering Memorandum are sold
Common Shares	20,000,000	6,525,693	6,575,693	7,175,693

DEBT STRUCTURE

The Issuer is indebted to Mr. Crispulo Sideco in the amount of $40,000.00 (the "Principal Sum") plus interest at a rate of twelve percent (12%) per annum pursuant to a Promissory Note dated March 4, 1991 issued by the Issuer. The Promissory Note provides that the Issuer must pay the Principal Sum plus interest by March 4, 1992.

The Issuer does not have any other long term or short term debt other than ordinary trade payables.

DIRECTORS, OFFICERS, PROMOTERS AND PRINCIPAL HOLDERS OF SECURITIES

The names, municipality of residence and principal occupation for the last five years of the directors, officers, promoters and principal holders of securities (persons holding, directly or indirectly, more than 10% of the Issuer's shares) of the Issuer are as follows:

Name, Municipality of Residence and Position	Principal Occupation for Previous Five Years	Number of Securities Beneficially Held as of the Date of this Offering Memorandum
Dal Brynelsen (2) 12 - 566 Cardero Street Vancouver, B.C. V6G 2W6 President, Director & Promoter	Director, President and Chief Executive Officer of Antelope Resources Inc.; Secretary of Brynelsen, Benzon Realty Corp. since 1975.	450,000 escrowed 37,500 free 100,000 options (1)
Bernard Brynelsen 1962 Knox Drive Vancouver, B.C. V6T 1S6 Director & Chairman of the Board	Director of Viceroy Resources Corporation, Silver Butte Resources Limited; Chairman of the Board of Brenda Mines Ltd.; President of Seine River Resources Inc.	100,000 options (1)
Frank Roberts (2) 7660 Schaefer Avenue Richmond, B.C. V7Y 2W8 Director	Partner of RSM Investor Network Inc., 1984 to present.	492,775 free 100,000 options (1)
Richard Addison (2) 1141 West 33rd Avenue Vancouver, B.C. V6M 1A3 Director	Self-employed Professional Geological Engineer.	100,000 options (1)
Suzanne Wood 53 - 5390 Smith Drive Richmond, B.C. V6V 2K8 Secretary	Self-employed Financial/ Management Consultant from 1986 to present; Controller for Mitek Group of Companies, 1987; Vice-President and Director of Barrington Petroleum Inc. from 1984 to 1986; Controller for Ice Station Resources Ltd. from 1983 to 1984; Business Auditor for Revenue Canada Taxation	25,000 options (1)

	from 1980 to 1983.	
Peter Perry 2433 Hyannis Drive North Vancouver, B.C. V7H 2E8 Insider	Self-employed businessman.	300,000 escrow 37,500 free 100,000 options (1)

(1) The options for Messrs. Dal Brynelsen, Frank Roberts, Richard Addison and Peter Perry are non-transferable and entitle the holder to purchase shares of the Issuer at a price of $0.50 per share on or before December 21, 1995. The options for Mr. Bernard Brynelsen and Ms. Suzanne Wood are non-transferable and entitles the holder to purchase shares of the Issuer at a price of $0.50 per share on or before March 6, 1996. See "Options to Purchase Securities of the Issuer".

(2) Members of Audit Committee.

None of the directors of the Issuer will devote their full time to the Issuer's affairs.

Directors of the Issuer also serve as directors of other similar companies involved in natural resource development. Accordingly, it may occur that properties will be offered to both the Issuer and such other companies. Furthermore, those other companies may participate in the same properties as those in which the Issuer has an interest. As a result there may be situations which involve a conflict of interest. In that event, the directors would not be entitled to vote at meetings of directors which evoke any such conflict. The directors will attempt to avoid dealing with such other companies in situations where conflicts might arise and will at all times use their best efforts to act in the best interest of the Issuer.

During the 12 months ended December 31, 1990 management fees of $20,000.00, accounting fees of $1,340.00, administrative expenses of $2,632.00 and travel expenses of $9,712.00 were paid to directors, officers and a private company controlled by a director.

During the 12 months ended December 31, 1990 none of the directors, officers, promoters and insiders of the Issuer received anything else of value from the Issuer which has not been disclosed elsewhere in this Offering Memorandum.

To the knowledgs of the signatories hereto the following persons (excluding directors, officers and promoter of the Issuer) beneficially own, directly or indirectly, more than 10% of the voting shares of the Issuer.

Name	Number of Shares	Percentage of Issued Shares
Terra Mines Ltd.	1,065,000	0.162%

OPTIONS TO PURCHASE SECURITIES OF THE ISSUER

The following persons hold options to purchase shares of the Issuer on the terms set out below:

Name	Number of Shares	Exercise Price	Expiry Date
Dal Brynelsen	100,000	$0.50	December 21, 1995
Frank Roberts	100,000	$0.50	December 21, 1995
Richard Addison	100,000	$0.50	December 21, 1995
Peter Perry	100,000	$0.50	December 21, 1995
Dennis J. McNulty	75,000	$0.50	December 21, 1995
Arne Piepgras	20,000	$0.54	February 1, 1993
Bernard Brynelsen	100,000	$0.50	March 6, 1996
Suzanne Wood	25,000	$0.50	March 6, 1996

Pursuant to an Agency Agreement dated December 17, 1990 with Midland Walwyn Capital Inc. ("Midland") the Issuer granted to David Provinciano a non-transferable share purchase warrant to purchase a total of 300,000 common shares of the Issuer at a price of $0.50 per share on or before December 17, 1991.

Pursuant to two private placements completed on March 2, 1990, there are 1,960,000 share purchase warrants outstanding entitling the holders thereof to acquire one common share in the capital stock of the Issuer at $0.175 per share if exercised by December 29, 1991.

SECURITIES OF THE ISSUER HELD IN ESCROW, IN POOL OR SUBJECT TO HOLD RESTRICTIONS

There are 750,000 shares held in escrow by Central Guaranty Trust Company, 2nd Floor, 800 West Pender Street, Vancouver, British Columbia, subject to the direction or determination of the Exchange. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever or released, nor may the Issuer, its transfer agent or escrow holder make any transfers or record any trading of the shares without the consent of the Exchange.

RISK FACTORS

The securities offered by this Offering Memorandum must be considered speculative, generally because of the nature of the Issuer's business. In particular:

1. While there are two drill indicated mineralized zones on the Iron Colt and Evening Star claims, further drilling is required to prove whether or not these zones contain commercial bodies of ore. If the Issuer's exploration programs are successful, additional funds will be required for the development of economic ore bodies and to place them in commercial production. The only source of future funds presently available to the Issuer is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Issuer of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.

2. Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Issuer in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore.

3. The mining industry, in general, is intensively competitive and there is no assurance that even if commercial quantities of ore are discovered, a ready market will exist for sale of same. Factors beyond the control of the Issuer may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Issuer not receiving an adequate return on invested capital.

4. Hazards such as unusual or unexpected formations and other conditions are involved in mineral exploration and development. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Issuer's financial position.

5. While the Issuer has obtained the usual industry standard title report with respect to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects.

6. The Issuer's mining properties have not been surveyed and therefore, the precise locations and areas of the properties may be in doubt.

7. The common shares of the Issuer acquired pursuant to this offering may not be resold or otherwise disposed of through the facilities of the Vancouver Stock Exchange for a period of 12 months from the date of the private placement agreement. Subscribers will be required to file with the Vancouver Stock Exchange a Private Placement Questionnaire and Undertaking and with the British Columbia Superintendent of Brokers a Form 20A - Acknowledgement and Undertaking, in the prescribed forms, undertaking not to sell the shares of the Issuer acquired under this offering for a period of 12 months.

RESTRICTIONS ON RESALE OF SECURITIES

All securities purchased pursuant to this Offering Memorandum shall be subject to restrictions on resale until such time as:

1. **the appropriate "hold periods" have been satisfied;**
2. **a further statutory exemption may be relied upon by the subscriber; or**
3. **an appropriate discretionary order is obtained pursuant to applicable securities laws.**

Therefore all subscribers under this offering should consult with their legal advisers to determine the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or the obtaining of a discretionary order.

Following the expiry of the aforesaid 12 month period in British Columbia, however, the shares will become freely tradeable within British Columbia and through the facilities of the Vancouver Stock Exchange provided that:

(a) if the seller is an insider of the Issuer, the Issuer is not in default of any requirement of the Securities Act (British Columbia) or the Securities Regulation;

(b) the trade is not a distribution from the holdings of a control person;

(c) no unusual effort is made to prepare the market or create a demand for the security; and

(d) no extraordinary commission or other consideration is paid in respect of the trade.

PARTICULARS OF ANY OTHER MATERIAL FACTS

Legal Proceedings

There are no actual or pending material legal proceedings to which the Issuer is or is likely to be a party or of which any of its property is or is likely to be the subject.

Management Agreement

Pursuant to an agreement dated January 1, 1991, the Company agreed to pay Mr. Dal Brynelsen the sum of $2,500.00 per month for managment services.

Material Contracts

The only material contracts entered into by the Issuer within the previous two years are as follows:

1. Option Agreement dated November 1, 1990 and Amending Agreement dated March 15, 1991 between Messrs. Dal Brynelsen, Peter Perry and Donald Harris and the Issuer, referred to under "Description of Business and Property-Property".

2. Option Agreement dated November 6, 1990 between Gunsteel Resources Inc., the Issuer and Antelope Resources Inc., referred to under "Description of Business and Property-Property".

3. Option Agreements dated December 21, 1990 with Messrs. Richard Addison, Dal Brynelsen, Frank Roberts and Peter Perry and Option Agreements dated March 6, 1991 with Mr. Bernard Brynelsen and Ms. Suzanne Wood referred to under "Options to Purchase Securities of the Issuer".

4. Private Placement Agency Agreement dated December 17, 1990 between the Issuer and Midland Walwyn Capital Inc. referred to under "Options to Purchase Securities of the Issuer".

5. Escrow Agreement dated November 13, 1990 between Central Guaranty Trust Company, the Issuer and Messrs. Brynelsen and Perry referred to under "Securities of the Issuer Held in Escrow, in Pool or Subject to Hold Restrictions".

6. Additional Principals' Shares Subscription Agreement dated November 6, 1990 between the Issuer and Messrs. Brynelsen and Perry.

7. Share Exchange Agreement dated November 1, 1990 between the Issuer, Messrs. Brynelsen, Perry, Harris, Connie Doherty, James Urness, Alan Brooks, David Di Ricco and Nancy Simat.

Auditor, Registrar and Transfer Agent

The Auditors for the Issuer are Labonte & Company, Chartered Accountants, of 1104 - 750 West Pender Street, Vancouver, British Columbia.

The Registrar and Transfer Agent for the Issuer is Central Guaranty Trust Company, 2nd Floor, 800 West Pender Street, Vancouver, British Columbia.

Other Material Facts

There are no other material facts not previously disclosed herein.

CONTRACTUAL RIGHTS OF ACTION

In British Columbia every subscriber of securities of the Issuer pursuant to this Offering Memorandum shall, if this Offering Memorandum, or any amendment thereto, contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statement herein from being false or misleading in light of the circumstances in which it was made (a "misrepresentation"), be deemed to have relied upon the misrepresentation if it was a misrepresentation at the time of purchase and shall have, subject as hereinafter in this paragraph provided, a right of action, either for damages or, alternatively, while still the owner of any of the common shares offered hereunder, for rescission, against the Issuer, provided that:

(a) the Issuer will not be held liable if the subscriber purchased the securities with knowledge of the misrepresentation;

(b) in an action for damages, the Issuer will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(c) in no case will the amount recoverable exceed the price at which the securities were sold to the subscribers.

The foregoing rights are in addition to and not in derogation from any other right or remedy available to the subscriber at law.

In British Columbia an action shall not be commenced to enforce the contractual right of action unless the right is exercised on notice being given to the Issuer not later than 90 days after the date on which payment was made for the securities or on which the initial payment was made for the securities, where payments subsequent to the initial payment are made under a contractual commitment entered into prior to, or concurrently with, the initial payment.

VANGOLD RESOURCES INC.

FINANCIAL STATEMENTS

DECEMBER 31, 1990

LABONTE & CO.
CHARTERED ACCOUNTANTS

A Professional Corporation

1104 - 750 West Pender St.
Vancouver, B.C.
Canada V6C 2T8
Tel: (604) 682-2778
Fax: (604) 683-4499

AUDITORS' REPORT

To the Shareholders of Vangold Resources Inc.

We have audited the balance sheet of Vangold Resources Inc. as at December 31, 1990 and the statements of loss and deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Labonte + Co.

CHARTERED ACCOUNTANTS

Vancouver, B.C.
March 14, 1991

VANGOLD RESOURCES INC.

BALANCE SHEET AS AT DECEMBER 31, 1990

	1990	1989
ASSETS		
CURRENT		
Cash	$ 3,145	$ 2,877
EXPLORATION FUNDS (Note 3)	120,108	-
FIXED ASSETS	-	119
INTEREST IN MINERAL PROPERTIES (Note 4)	115,000	-
DEFERRED EXPLORATION AND DEVELOPMENT COSTS (Note 5)	35,790	-
TECHNOLOGY RIGHTS (Note 6)	1	
	$ 274,044	$ 2,996
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 20,608	$ 5,922
Due to related parties	4,095	320,230
	24,703	326,152
SHAREHOLDERS' EQUITY (DEFICIENCY)		
SHARE CAPITAL (Note 7)	2,663,137	1,769,048
DEFICIT	(2,413,796)	(2,092,204)
	249,341	(323,156)
	$ 274,044	$ 2,996

Approved on behalf of the Board:

Dal Brynelsen - Director

Frank Roberts - Director

The accompanying notes are an integral part of these financial statements

VANGOLD RESOURCES INC.

STATEMENT OF LOSS AND DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1990

	1990	1989
REVENUE		
Interest income	$ 119	$ 345
Gain on sale of mineral properties	-	19,999
	119	20,344
EXPENSES		
Accounting and audit fees	7,440	7,514
Bank charges and interest	311	17,635
Consulting fees	15,766	-
Depreciation and amortization	119	59
General and administrative	9,959	1,389
Legal	55,084	3,598
Loss on sale of portfolio investments	-	1,962
Management fees	20,000	6,300
Transfer agent and filing fees	12,049	4,686
Travel and accommodation	11,348	-
	132,076	43,143
OPERATING LOSS BEFORE THE FOLLOWING	131,957	22,799
WRITE-OFF OF MINERAL PROPERTIES AND RELATED DEFERRED EXPLORATION AND DEVELOPMENT COSTS	2,266	96,938
LOSS ON WRITEDOWN OF TECHNOLOGY RIGHTS (Note 6)	187,369	-
NET LOSS FOR THE YEAR	321,592	119,737
DEFICIT, BEGINNING OF YEAR	2,092,204	1,972,467
DEFICIT, END OF YEAR	$ 2,413,796	$ 2,092,204
LOSS PER SHARE	$ 0.07	$ 0.12

The accompanying notes are an integral part of these financial statements

VANGOLD RESOURCES INC

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1990

	1990	1989
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the year	$ (321,592)	$ (119,737)
Item not involving cash		
- depreciation	119	59
- gain on sale of mineral properties	-	(19,999)
- write-off of mineral properties and related deferred exploration and development costs	2,266	96,938
- loss on sale of portfolio investments	-	1,962
- loss on writedown of technology rights	187,369	-
	(131,838)	(40,777)
Net changes in non-cash working capital items	(301,449)	10,840
	(433,287)	(29,937)
FINANCING ACTIVITIES		
Issuance of shares for cash	528,859	-
Issuance of shares to acquire mineral property	22,500	-
Issuance of shares to settle debt	320,230	-
Issuance of shares for finder's fee	22,500	-
	894,089	-
INVESTING ACTIVITIES		
Proceeds from sale of portfolio investments	-	7,318
Proceeds from sale of mineral properties	-	20,000
Exploration funds	(120,108)	-
Mineral properties and deferred exploration and development costs	(153,056)	-
Technology rights	(187,370)	-
	(460,534)	27,318
INCREASE (DECREASE) IN CASH	268	(2,619)
CASH, BEGINNING OF YEAR	2,877	5,496
CASH, END OF YEAR	$ 3,145	$ 2,877

The accompanying notes are an integral part of these financial statements

VANGOLD RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1990

NOTE 1 - NATURE OF OPERATIONS

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund option commitments, complete the development, and future profitable production or proceeds from the disposition thereof.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

a) Interest in Mineral Properties

The Company capitalizes the acquisition costs of mineral properties and related exploration and development costs. These costs, which do not necessarily reflect present values, will be amortized over the estimated productive lives of the properties upon commencement of commercial production using the unit-of-production method. Costs relating to mineral properties which are sold or abandoned are written off when such events occur. Properties acquired under option agreements, where option payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from options granted are applied to the cost of the related property and any excess is included in earnings for the year.

b) Loss per share

Basic loss per share figures are calculated using the weighted monthly average number of shares outstanding during the respective fiscal periods.

NOTE 3 - EXPLORATION FUNDS

Exploration funds are committed to be spent by the Company under its flow-through agreements on exploration work qualifying for Canadian Exploration Expense deductions as defined under the Canadian Income Tax Act. These funds were spent subsequent to year end.

NOTE 4 - INTEREST IN MINERAL PROPERTIES

	1990	1989
British Columbia, Canada		
- North Belt Property	$ 95,000	$ -
- South Belt Property	20,000	-
	$ 115,000	$ -

NOTE 4 - INTEREST IN MINERAL PROPERTIES (Con't)

a) North Belt Property
Trail Mining Division, B.C.

By an agreement dated November 1, 1990 between the Company and three individuals ("Optionees") the Company was granted an option to earn a 50% interest in 46 mineral claims by the payment of $100,000 ($10,000 paid to date and $90,000 due on the earlier of November 1, 1991 and 10 business days following completion of the Company's Statement of Material Facts - See Note 10), incurring eligible expenditures of $500,000 ($75,790 incurred to date) and issuing 150,000 shares (50,000 shares issued to date) in various stages prior to October 19, 1992. The Company may earn an additional 10% interest by incurring a further $250,000 in eligible expenditures and issuing a further 50,000 shares on or before October 19, 1993. Upon commercial production the Company is obligated to issue an additional 100,000 shares to the Optionees. The Company paid a finder's fee of 50,000 shares at a deemed price of $.45 per share.

Twenty-five of the claims are subject to underlying option agreements between Antelope Resources Inc. and Bryndon Ventures Inc. ("Original Optionors") and the owners of the claims. Pursuant to the terms of these agreements the Original Optionors are obligated to pay further option payments totalling $647,500 to the property owners in various stages prior to December 15, 1994. The Company has the right to make these payments on behalf of the Original Optionors which will qualify as eligible expenditures under the November 1, 1990 option agreement. These twenty-five claims are subject to NSR royalties ranging from 1% to 5%.

b) South Belt Property
Trail Mining Division, B.C.

By an agreement dated November 6, 1990 the Company has been granted an option to acquire a 100% interest, subject to 1% and 3% NSR royalties, in nine mineral claims in consideration for $150,000 ($20,000 paid to date) payable in various stages prior to October 31, 1993.

NOTE 5 - DEFERRED EXPLORATION AND DEVELOPMENT COSTS

	1990	1989
British Columbia, Canada		
- North Belt Property	$ 35,790	$ -
- South Belt Property	-	-
	$ 35,790	$ -

NOTE 6 - TECHNOLOGY RIGHTS

By an agreement dated March 13, 1990 the Company was assigned the rights to a new fuel and engine system technology in consideration for US$100,000 and the issue of 100,000 shares for a term expiring December 31, 1991. The shares have not been issued to date. Pursuant to an amending agreement dated April 5, 1990 the Company advanced a further US$60,000 to extend the term to December 31, 1992. Management has decided not to currently pursue this venture any further and accordingly has written the carrying value down to a nominal value of $1 and recognized a loss during the year of $187,369.

NOTE 7 - SHARE CAPITAL

Authorized share capital of the Company consists of 20,000,000 common shares without par value.

	Number of Shares	Value
Issued at December 31, 1989	1,000,068	$ 1,769,048
Issued during the year:		
- for cash by private placement at $.19 per share	400,000	76,000
- for cash by private placement at $.15 per unit consisting of one common share and one share purchase warrant to acquire 1,960,000 shares at $.15 per share if exercised prior to January 19, 1991 and $.175 per share if exercised prior to January 19, 1992	1,960,000	294,000
- for cash by flow-through private placement at $.50 per share consisting of one common share and one share purchase warrant to acquire 300,000 whares at $.65 per share prior to December 18, 1991	300,000	150,000
- for cash at $.015 per share subject to escrow restrictions	590,625	8,859
- for the acquisition of the North Belt property	50,000	22,500
- for finder's fee on the North Belt property	50,000	22,500
- for settlement of debt	2,130,000	320,230
- for finance fees	45,000	-
	5,525,625	894,089
Issued at December 31, 1990	6,525,693	$ 2,663,137

Included in share capital are 750,000 shares which are held in escrow. The release of these shares from escrow is subject to the direction and determination of the British Columbia regulatory authorities.

NOTE 7 - SHARE CAPITAL (Con't)

Non-transferable share purchase warrants are outstanding as follows: 1,960,000 shares exerciseable at $.15 per share prior to January 19, 1991 and $.175 per share prior to January 19, 1992; 300,000 shares exerciseable at $.65 per share prior to December 18, 1991.

Director and employee stock options are outstanding providing the right to purchase 475,000 shares at $.50 per share prior to December 22, 1991.

At the 1990 Annual General Meeting, shareholders approved the following new authorized share capital, subject to regulatory approval:

100,000,000 common shares without par value
100,000,000 Class A preferred shares, $10 par value
100,000,000 Class B preferred shares, $50 par value

NOTE 8 - RELATED PARTY TRANSACTIONS

a) Management fees of $20,000, accounting fees of $1,340, administrative expenses of $2,632 and travel expenses of $9,712 were paid to directors, officers and a private company controlled by a director.

b) The optionors of the North Belt mineral property include a director of the Company.

c) The recipient of the 1% NSR royalty on the South Belt Property is Antelope Resources Inc., a public company with a director in common with the Company.

d) The Company is indebted to two directors in the amount of $4,095 representing advances to the Company. These advances are non-interest bearing, unsecured and have no specific terms of repayment.

e) During the year the Company issued 2,130,000 shares to a company to settle a debt of $320,230. At the time of the issue the company was a significant shareholder of Vangold Resources Inc.

NOTE 9 - INCOME TAXES

The Company has non-capital losses, the potential benefit of which is not reflected in these financial statements, available to be carried forward to apply against future income for tax purposes as follows:

1992	$ 37,000
1993	54,000
1994	34,000
1995	34,000
1996	41,000
1997	132,000
	$ 332,000

NOTE 10 - PROPOSED FINANCINGS

a) The Company is proposing to issue by a private placement Offering Memorandum 500,000 units at a price of $.40 per unit to net the Company $180,000 after commission expenses. Each unit will consist of one common share and one non-transferable share purchase warrant entitling the holder to acquire an additional share at a price of $.50 per share for a period of one year. These funds will be used for general corporate purposes.

b) The Company is planning to offer by Statement of Material Facts to the public in British Columbia 375,000 common shares at a price of $.70 per share and 375,000 flow-through common shares at a price of $.85 per share to net the Company $537,656 after commission expenses. These funds will be used to finance further exploration work and option payments on the North Belt property.

NOTE 11 - SUBSEQUENT EVENTS

a) Director and e3mployee stock options were granted providing the right to acquire 20,000 shares at a price of $.54 per share prior to February 1, 1993 and 125,000 shares at a price of $.50 per share prior to March 6, 1996.

b) The Company has incurred a further $185,000 in eligible expenditures on the North Belt property and is obligated to issue a further 50,000 shares.

NOTE 12 - COMPARATIVE FIGURES

The comparative figures for the year ended December 31, 1989 were reported on by other Chartered Accountants.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

DATED: MARCH 27, 1991

DAL BRYNELSEN
President and Director
Chief Executive Officer

FRANK ROBERTS
Director
Chief Financial Officer