

Vangold Resources Ltd.

Management Discussion and Analysis of Financial Condition And Results Of Operations September 30, 2007 Overview

Management has prepared the following discussion and review of the unaudited consolidated financial results of Vangold Resources Ltd. ("Vangold") based on accounting principles generally accepted in Canada as at November 22, 2007. The focus is primarily a comparison of financial performance for the three and nine months ended September 30, 2007 and should be read in conjunction with the unaudited consolidated financial statements and accompanying notes as at September 30, 2007. Further information on Vangold's public filings may be obtained at www.sedar.com.

Forward Looking Statements

Certain statements contained in this Management Discussion and Analysis are forward looking statements. Forward looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by Vangold, and described in the forward looking statements. These include:

- uncertainties as to the availability and cost of financing;
- possible delays or changes relative to exploration, development or capital expenditures;
- risk and uncertainties involving geology of oil and gas;
- risks associated with exploration, development and production of oil and gas deposits; and
- risks involved in carrying on business in foreign jurisdictions.

Forward-looking statements are based on the estimates and opinions of Vangold's management at the time the statements were made.

Overall Performance

As at June 30, 2007, Vangold had a strong balance sheet with working capital of \$4,445,638 and no long-term debt. During the nine months ended September 30, 2007, Vangold:

- Reported revenue of \$1,455,655 and a net loss of \$746,367 which was a result of significantly reduced production from the Killam North Field during construction of a gas gathering system. compared to revenue of \$2,493,414 net income of \$711,013 for the same period in 2006, and
- Spent \$ 859,094 on oil and gas properties and \$1,192,536 on mineral exploration.

Description of Business

Vangold is a development-stage mineral exploration and oil-and-gas production company. We are engaged in the identification, acquisition, evaluation, exploration and development of mineral properties located in Canada, Papua New Guinea, the United States, Uganda and Brazil. We are also active investors in oil and gas properties in Canada the United States, Rwanda, Armenia and Kenya. Vangold is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange, symbol VAN. Vangold is classified Tier 1. Vangold conducts business independently and through joint ventures. The following is a brief description of our major projects.

Papua New Guinea

- **Feni Islands Gold Project** (owned 50% Vangold, 50% New Guinea Gold Corporation (“NGG”))

The Feni Islands Gold Project (“Feni”) covers 166.6 square kilometres and includes both the Ambitle and Babase Islands that comprise the Feni Islands. Feni hosts a large gold system similar to the Lihir Gold Mine. Drill intersections include: 114 metres (m) of 1.12 grams per tonne (g/t) gold and 0.2% copper, 19.9m of 2.12 g/t, 15.25m of 2.56 g/t gold, 10m of 5.7 g/t gold, 3m of 10 g/t gold, 162m of 0.46 g/t gold and 0.15% copper, 18m of 0.72 g/t gold and 0.68% copper. The drilling and geochemical sampling program has confirmed that Feni remains prospective for gold and copper/gold deposits. It is essentially unexplored in terms of drill testing.

In February 2007, Vangold and its joint venture partner, New Guinea Gold Corporation (“NGG”) agreed to an extension to June 30, 2008 for Vangold to spend a further \$1.26M and issue 200,000 common shares to earn a further 25% in the Feni Islands Project, to a total interest of 75%.

Drilling commenced in April 28, 2007, the diamond drill program is scheduled to complete in the fourth quarter 2007 at a budgeted cost of \$ 600,000.

Pacific Kanon Gold Corporation

Vangold executed a Share Exchange Agreement on August 6, 2007 to exchange its 50% interest in Kanon Resources Ltd for 22,500,000 shares in Pacific Kanon Gold Corporation, which represents 45% of the outstanding shares. Pacific Kanon Gold Corporation has filed a preliminary prospectus and is seeking a listing on the TSX Venture Exchange .A financing of \$10,000,000 will take place after the listing is granted.

Kanon Resources Ltd. (Kanon) is a company registered in Papua New Guinea., and is a wholly-owned subsidiary of Pacific Kanon Gold Corporation... Kanon holds 100% of six prospecting licenses and 50% of another which are summarized hereunder, all of which are located in Papua New Guinea.

- **Mt. Penck Gold Project** (owned 40% Vangold, 60% NGG)

The Kavola East prospect at Mt. Penck covers 101.4 square kilometres and is situated in West New Britain Province, approximately 55 kilometres west of the provincial capital Port Kimbe.

The Kavola East prospect is one of six named prospects that occur within a northerly trending structural zone on the northwest flank of Mt. Penck, which is an extinct, partly eroded, Pliocene strata volcano.

The northerly trending structural zone contains linear zones of gold mineralization. This mineralization appears to have both sub-vertical control in structures and sub-horizontal control within favourable volcanic units. Mineralization occurs within zones of argillic/quartz alteration that individually vary from 200 to 800m in length and 145 to 100m in width.

Kavola East is one such alteration zone, but is only a small part of the Mt. Penck mineralized system. The potential to define additional resources at Kavola East and elsewhere in the exploration license is regarded by the partners as excellent. For example, at the Koibua prospect, approximately 1 kilometre northwest of Kavola East, previous drilling by earlier explorers returned results such as 33m of 2.41 g/t gold (including 12m of 5.05 g/t gold), 10 m of 2.7 g/t gold and 14m of 3.31 g/t gold. Other prospects have had very limited trench or drill exploration and have widespread gold in soil and stream samples. The Kavola mineralization may be part of the same semi-continuous zone as the Koibua prospect, suggesting the strong possibility of major gold potential.

On January 2, 2007 Vangold reported the results from the latest drill core assays from Mt Penck using cutt offs of 0.5g/t gold include:

7m @ 2.07g/t gold in MPD 026

4m @3.68 g/t gold including 1m@7.43 g/t in MPD 026

2m @ 3.2g/t gold, 11 g/t silver in MPD 032

1m @ 4.50 g/t gold, 61g/t silver in MPD 024

6m @ 0.91 g/t gold, 12 g/t silver in MPD 029

On January 19, 2007 Vangold reported that several further gold intersections are present in the latest drill results, hole MPD053 intersected 7m@ 2.95 g/t gold between 3m to 10m down hole. Hole MPD028 intersected 5m @ 2.26 g/t gold between 47m to 52m down hole and 24m to 30m down hole respectively.

On February 21, 2007 Vangold reported that recent trenching has confirmed two significant new gold minerlised zones at Upper Peni Creek and Kavola South. Upper Peni Creek is 300m west of Kavola East, where most of the 2006 drilling was concentrated and Kavola South is 100m south of Kavola East. The trenches are hand dug trenches and were dug to gain some idea of the lateral extent of gold grades along strike. The trenches were dug reasonably parallel to the strike of the high grade "core: of both zones.

Upper Peni Creek Zone

Separate trench intersections above 0.5g/t gold cutoff include:

24m @33.7g/t gold, including 12m @62.93g/t gold ,including 3m@180 g/t gold,

12m @c4.07g/t gold,

33m 2 1.73g/t gold,

18m @1.82g/t gold,

12m @0.88g/t gold,

The above results indicate an average grade for all samples above 0.5g/t gold cutoff of 9.68 g/t gold, the average grade for all samples is 8.66 g/y gold.

Results from two initial scout holes MPD 036 &037 which were drilled in late 2006, intersected:

4m @ 5.71 g/t gold from 22m to 26m downhole including 1m @ 13.3 g/t gold 1120 g/t silver and 17% copper

Kavola South Zone.

Separate trench intersections above 0.5 g/t gold include;

30m @ 4.42 g/t gold,

48m @ 4.01 g/t gold,

24m @ 2.82g/t gold,

12m @ 1.49 g/t gold,

On July 23, 2007 a 43-101 Technical Report on Mt Penck was filed on SEDAR

Mt. Allemata Project

Mt. Allemata includes 15 named mineral occurrences, including Mt. Haluba, Ulo Ulo and Kaiyahedebadeba pistoltic gravel grid. The property is located at the eastern end of the New Guinea mainland, 20 kilometres southwest of Alotua and is approximately 243 square kilometres in size.

Earlier programs at Mt. Allemata defined high-grade gold in trench, including 4 m of 100 g/t gold and wide zones of anomalous gold in soils such as a 200 metre wide zone of 1.24 g/t gold as well as a 50 metre wide zone of 4.54 g/t gold. Drilling to track the high-grade gold lobes commenced on the property in May 2005.

The Mt. Haluba prospect includes a series of northeast trending anomalous gold-in-soil zones, which at present extend over an area 2.2 by 1.2 kilometres (2.64 square kilometres). The largest anomaly has a length of 1.8 kilometres and a maximum width of 0.45 kilometres.

During May 2005, drilling commenced on the property. Initial drilling targeted high-grade gold lobes within the Ulo Ulo North zone. Compilation and synthesis of geochemical results from the Mt Haluba prospect and the Kaiyahedebadeba pistolic grid was largely completed. Drill targets were defined at Mt Haluba and soil sampling has revealed potentially significant areas of gold bearing ironstone gravels in the palaeo-drainage channels within the Kaiyahedebadeba grid. Drill results were reported in a News Release dated October 3, 2005. and included 1.0m @ 17.65g/t gold & 7.1m @ 3.44g/t gold. Six holes were drilled at Mt. Haluba totalling 765 metres during the second and third quarters of 2005. All holes encountered gold intersections, mainly less than 50 metres from surface. The drilling defined numerous narrow and wider lower-grade zones that will require further drill testing to evaluate their economic potential. The drilling and surface geochemistry shows that anomalous gold occurs over a 2 square kilometre area, much of which remains to be drill tested. There was no field activity during the first and second quarter of 2007.

On July 17, 2007 a 43-101 Technical Report on Mt Allemata was filed on SEDAR

- **Bismarck Project**

The Bismarck property is located approximately 100 kilometres northeast of the Porgera mine. It encompasses several areas of gold and copper mineralisation within a circular geological feature approximately 20 square

kilometres in area. This circular geological feature contains three partly explored areas – Tekem, Kunapali and Awale.

Re-sampling of pre-existing trenches at the Tekem prospect was completed in March 2006. Trench assays within the zone included 20m of 4.68 g/t gold, 12m of 2.47 g/t gold and 16m of 10 g/t gold. Results outside the mineralized zone, but within an overall trenched area of 800 by 300 metres, include d 4m of 14.55 g/t gold, 20m of 6.9 g/t gold, 4m of 11.35 g/t gold, 8m of 1.08 g/t gold, 12m of 2.32 g/t gold plus extensive occurrences in the 0.5 to 1.0 g/t range.

On July 19, 2007 a 43-101 Technical Report on Bismarck was filed on SEDAR.

- **Yup River Project**

The Yup River project covers 378.5 square kilometres in the historic Amanab goldfield about 100 km south of the coastal town of Vanimo in northwest Papua New Guinea. The property contains 10 separate defined areas of gold mineralization.

A field reconnaissance rock-sampling program was completed in February 2005 in an attempt to locate the source or sources of alluvial gold. Two areas were defined that will require further investigation, the Amanab and the Dauri prospects. Each shows encouraging concentrations of alluvial gold, but follow-up exploration is required to assess the significance.

The results of extensive geochemical from a program completed in 2006 became available in February 2007, rock chip and grid soil sampling has located a 5 metre width zone of bedrock mineralisation grading 2.47 g/t gold within a large gold soil anomaly at the Dauri Prospect within the Yup River tenement.

On July 19, 2007 a 43-101 Technical Report on Yup River was filed on SEDAR.

- **Fergusson Project**

The Fergusson Project is within Fergusson Island, which in turn lies 80km NE of the town of Alotau in Milne Bay Province, Papua New Guinea. Epithermal gold systems of Pleistocene to recent age are present (some still active) plus small scale alluvial gold workings.

Reconnaissance sampling and mapping of the Igwageta prospect was completed during May 2005, resulting in the collection of 199 channel and grab samples. In addition, 86 were drilled on 6 prospects. The best drill results included 10m of 8.24 g/t gold and 12m of 5.88 g/t gold as reported on July 26, 2006, a geochemical program was completed at Igwageta and an assessment of the results is currently underway. There was no field activity during the first and second quarter 2007.

- **Mt. Nakru Copper Project**

Kanon owns a 50% interest in the Mt. Nakru project, which consists of four separate but closely spaced occurrences in the West New Britain Province. The majority of previous exploration focused on the Nakru 1 and 2 prospects. The widespread occurrence of mineralized lithic-breccia clasts in the colluvium at Nakru 1 suggests the potential

discovery of a significant bedrock source of hypogene gold mineralization. At Nakru 2, rock-chip sampling, costean mapping and channel sampling found high grade gold and copper.

The current strategy is to develop Mt Nakru through to feasibility within two years.

The drilling schedule was scheduled to commence in late October 2006. On October 23, 2006, it was reported that a rig was being mobilized to the site. It anticipated that 5 or 6 holes will be drilled to test recently discovered gold in bulldozer trenches, results from northeast to southwest which were:

- 95 metres @ 2.88 g/t gold including 35 metres @ 7.26g/t gold;
- 40 metres @1.18g/t and 35 metres @2.2g/tgold;
- 42 metres @2.7 g/t gold and 51 metres @ 2.2g/t gold;

The initial drilling will test the zone of 35 metres @ 7.26g/t gold. The complete data of trenching results was disclosed in a News Release dated May 25, 2006.

On January 3, 2007 Vangold announced that a three-hole drilling program was completed in late December 2006. The holes NAK010 to NAKA012 were drilled from the same pad to test the lateral and depth continuity of near – surface gold mineralisation exposed in Trench 2 at Nakru 1 prospect .A total of 212.6 metres were drilled to a maximum vertical depth of approximately 70m.

On February 21, 2007 Vangold announced the assay results for the shallow holes NAK010, 011 and012. No gold zones above 0.5 g/t gold were intersected in any of the holes. Narrow 1mto 2m intersections of plus 0.1% copper were present in all three holes, up to 1m@0.4% copper in NAK 010at 73m down hole.

- **Uganda**

Vangold holds mining exploration licences in various locations throughout Uganda:

Kafunzo: 3 licences covering 277 sq km in the Kafunzo nickel prospect which is located north of the world class Kabanga nickel cobalt deposit. The Kafunzo anomaly has been identified by a high amplitude aeromagnetic survey , reaching 1,700 nT. This anomaly occurs in folded flysh-type sediments and granites of mid- Proterzoic Karagwe-Ankolean-Burundiam system (the Kibaran Fold Belt) which in Burundi and Tanzania, is characterized by a belt of mafic/ultramafic bodies hosting nickel laterites, nickel sulphide, and PGE mineralization. This mineralization belt has borne a significant discovery that is being actively developed by Falconbridge and Barrick, known as the Kabanga nickel/cobalt deposit in Tanzania south of Kafunzo. It is believed that this is the second largest and richest nickel deposit save Voisey's Bay.

Fort Portal : 1 licence covering 14 sq kms , copper prospect. This anomaly was discovered and sampled by Falconbridge in the 1960's. In the 1990's Vangold sampled and did geophysics on this anomaly.

Kilembe: 9 licences, copper/cobalt prospect, covering 300 sq kms, the property lies adjacent to the famous Kilembe copper-cobalt mine that produced 16.2 million tonnes of ore grading 2% copper and .2% cobalt over a 22 year period. These anomalies were identified by Falconbridge and show as potential extension of the Kilembe ore body.

Kilo Moto: 5 licences, gold prospect, covering 287 sq kms. The licences are located in the West Nile region bordering the Democratic Republic of Congo and Sudan and are within the geological continuation of the Kilo Moto gold province of north-eastern Congo. Total production of the Kilo Moto goldfields by the early 1960's was over 8.8 million ounces. The current exploration in the Kilo Moto area has identified 15 million ounces of gold.

Beryllium

- **Uganda**

Vangold also holds 51% of a private company, Horn Rare Metals Ltd. which owns a 90% interest in seven historic beryllium mines in Uganda. Horn Rare Metals is funded by Firebird Global Master Fund. A geologist recently completed a 43-101 study on these mines.

- **Brazil**

Vangold also holds through Horn Rare Metals Ltd. two Beryllium mines in San Paulo Brazil. A geologist recently completed 43-101 study on these mines.

Effective November 28, 2007 Horn Rare Metals Ltd. completed the amalgamation and reverse take-over of JaninaResources Ltd, whose name will change to International Beryllium Corporation, Vangold received 25,609,756 shares of International Beryllium Corporation in exchange for its Horn Rare Metal Ltd. common shares.

Other Properties

- **Rossland Property**

The Rossland properties situated in and around Rossland, B.C. comprise three principal groups: North Belt (including the former producing gold mines Iron Colt, Evening Star and Georgia), South Belt (includes the former producing lead/zinc Blue Bird-Mayflower mine and Homestake-Gopher gold mines) and Deer Park Hill. Our properties contain numerous old pits, shafts, adits and other workings constructed to explore and develop numerous gold occurrences.

In February 2005, Vangold entered into an option and joint venture agreement with a private company to facilitate exploration of our Rossland properties. The Agreement calls for the optionee to expend \$1.85 million and issue 800,000 shares in instalments through July 2009 to earn a 70% interest in the properties. Throughout 2007, all exploration work in the Rossland District was undertaken by the joint venture.

- **Gallagher Gold Project**

Vangold acquired by staking 24 contiguous unpatented mineral claims in White Pine County, Nevada, approximately 24 miles north of Ely, Nevada and 15 miles southeast of the Limousine Butte project. We control a 100% interest in the Gallagher Gold project and claims are held in trust. The claims cover a large hydrothermal gold system that exhibits alteration features indicative of sediment- or structure-hosted gold deposits found on the Carlin Trend and elsewhere in Nevada. In the first quarter, 2006, Vangold retained Locke Goldsmith M.Sc.,P.Eng.,P.Geo. To review previous work and recommend a program of staking, soil sampling and mapping to lead to a possible drill program in 2007.

Oil and Gas Properties

Results of Vangold's oil and gas operations before depletion and depreciation for the nine months ended September 30, 2007, are as follows:

	September 30, 2007	September 30, 2006
Petroleum revenue	\$1,760,721	\$3,430,798
Royalties	(443,330)	(1,019,961)
Operating costs	(392,347)	(245,868)
Net petroleum revenue	\$925,044	\$2,074,969

Killam North, Alberta

Vangold holds a 26.25% interest in the Killam North oil field located in central Alberta, Canada. The field contains six wells; five are multi-leg horizontal wells within the field. Current stabilized production is 450 barrels per day, 120 barrels to Vangold's interest.

Vangold received and has accepted an offer for its 26.25% interest, closing is scheduled for November 28, 2007.

- **Deep Basin, Alberta**

Vangold entered into a farmout participation and agreement with an Alberta-based oil and gas company, to participate in the drilling, completing and equipping of a high-impact, natural-gas test well in the Deep Basin of the Alberta Foothills. We will earn a 21% interest in the test well under the terms of the agreement. Vangold paid a \$50,000 non-refundable prospect fee upon execution of the agreement and has agreed to pay a non-refundable equalization fee of \$355,000 immediately upon evidence of the licensing of the test well. The test well is to be drilled after permitting is completed, which is expected in December 2007.

Vangold entered into a participation agreement for a second Deep Basin test well in June 2006, Vangold paid 16.25% of the gross capital cost to earn a 12% working interest. The well spud on August 16, 2006 and is presently awaiting tie in to the pipeline...

- **East Corning, California**

Vangold's wholly owned subsidiary, Corning Energy Inc. (Corning), a Nevada corporation, and its partners own interests in from nine producing wells in the East Corning gas field located near Red Bluff in Tehama County, California. Corning has a 3.75 % gross interest in the wells. The field is almost fully depleted. Two new wells were spud in March 2007; which were tied in with production commencing September 2007.

- **Sarcee Reserve, Alberta**

Vangold entered into a participation agreement in June 2005 to drill a test well on the Sarcee Indian Reserve to earn a 6% working interest in the well, in June 2007 Vangold acquired an additional 27.5% bringing its working interest to 33.5%. Completion and production testing of the Sarcee 12-13 well was finalized in December 2005. During completion, water intruded through the casing sidewall. Subsequently, independent consultants recommended remedial completion work for the well. This work will be carried out in the fourth quarter 2007. On successful re-completion of the well an additional two or three Mississippian development wells may be drilled on these lands.

- **Strachan Field, Alberta**

Vangold entered into a farm-in agreement in June 2005 to drill a test well in the Strachan Field located near Rocky Mountain House, Alberta. Vangold will pay 9.77% of costs to earn a 9.166% interest. During completion in October 2005, five significant zones were encountered in hole. A 3-D seismic survey covering 9.5 square miles has been acquired and two more wells are planned.

- **Henry Dome, Texas**

Corning entered into a participation agreement with PB Energy USA, Inc., in February 2005 to earn a 7-1/2% interest in the Henry Dome prospect located three miles northwest of Tilden, Texas. The first of three possible wells were completed, but they have not been brought into production.

- **Rwanda**

On March 1, 2007 Vangold announced that an exclusive right to commence negotiations for a production sharing license for oil & gas in the northwest part of Rwanda had been granted by the Republic of Rwanda. The concession is 7,208 sq kms and represents 11% of the land mass of Rwanda. Vangold's consultants are carrying out evaluation of the hydrocarbon potential of the Kiva Graben area of the concession using already existing data.

Vangold signed a Technical Evaluation Agreement in November, 2007 which covers 1,631 sq kms in the East Kiva Graben Basin. Vangold will conduct a detailed and comprehensive study of the area for the evaluation of the hydrocarbon potential and the identification of those areas of greatest prospective interest. Aeromagnetic and gravity surveys will be conducted over a period of eighteen months with budgeted costs of US \$1.2M.

- **Kenya**

On October 16, 2007 Vangold signed a Production Sharing Contract (PSC) with the Republic of Kenya for Block A in the Anza Graben, Eastern Province of Kenya, covering 12,192 sq kms. Under the terms of the PSC, in the Initial Contract Period of three years, in addition to a signing bonus US\$ 75,000 which has been paid, Vangold will spend a minimum of US\$ 3,000,000 to conduct technical study and plan to acquire 1,000-line kilometre 2D seismic and 50sq km 3D seismic. Provided these results are positive, during the third year Vangold will drill one exploratory well to a minimum depth of 3,000 meters at a minimum cost of US\$ 6,000,000. (See Vangold news release October 29, 2007.

- **Armenia**

On May 23, 2007 Vangold announced it had entered into an agreement to participate in a Production Sharing Agreement (PSA) between the Ministry of Energy of Armenia and Blackstairs Energy plc. Vangold will participate as to a 50% working interest in Blocks 4, 5 and 6 which covers an area of 13,775 sq. Km (over 3.4 million acres) in central and southern Armenia. Under the PSA, the term of exploration is five years, which may be extended by two additional periods, each of two years. The total financial commitment over five years is \$2.4 m US of which Vangold will fund \$1.2m US.

- **Selected Quarterly Financial Information**

The table below presents selected quarterly consolidated financial information

	September 30,2007	June 30,2007	March 31,2007	December 31,2006
Revenue	\$565,522	\$685,477	\$509,722	\$718,013
Income(loss)for the quarter	(245,350)	(282,081)	(218,936)	(659,579)
Income(loss)per share	(\$0.003)	(\$0.001)	(\$0.003)	(\$0.001)
		June 30, 2006	March 31,2006	December 31,2005
Revenue	\$1,760,721	\$1,375,412	\$931,595	\$454,707
Income(loss) for the quarter	\$308,558	317,416	85,039	(413,765)
Income(Loss) per share	\$0.004	\$0.004	\$0.001	(\$0.01)

- **Operating Results Third Quarter**

Operating revenue for the three months ended September 30, 2007 was \$565,522 a decrease of \$ 558,269 from the same period last year. Total expenses for the three months ended September 30, 2007 were \$ 680,755an increase of \$ 127,531 over the same period last year. Vangold reported a net loss for the third quarter of \$245,350 compared with net income of \$ 308,558 for the same period in 2006.

- **Revenue**

Revenue from the Killam North Field for the three months ended September 30, 2007 was \$558,857 a decrease of \$564,934 from the same period in 2006, this decrease is a result of decreased production during the installation of the gas gathering system and operator decisions with respect to daily production levels. Revenue

from the Corning East Field for the three months ended September 30, 2007 was \$9,003 a decrease of \$14,021 from the same period in 2006. This decrease is a result of the old wells being shut in while two more gas wells were being drilled. These new wells were tied in early September 2007.

- **Expenses**

Total expenses for the three months ended September 30, 2007 were \$680,755. Operating expenses for the Killam North and East Corning oil & gas fields for the three months ended September 30, 2007 were \$135,734 versus \$ 87,392 the same period in 2006.

General and administration costs for the three months ended September 30, 2007 were \$341,075 versus 316,283 for the same period in 2006.

Stock based compensation for the three months ended September 30 2007 was \$81,222 versus \$70,659 for the same period in 2006.

Depletion and depreciation for the three months ended September 30, 2007 was \$122,724 versus \$78,890 for the same period in 2006

- **Operating Results first, second and third quarters**

Operating revenue for the six months ended September 30, 2007 was \$1,760,721 a decrease of \$1,670,077 from the same period last year. Total expenses were \$2,202,022 versus \$1,782,401 for the same period in 2006.

Vangold reported a net loss of \$746,367 for the nine months ended September 30, 2007 compared with net income of \$711,013 for the same period in 2006.

Net proceeds from financing during the nine months ended September 30, 2007 was \$127,379 compared to \$4,481,026 for the same period in 2006.

At September 30, 2007 Vangold had cash and cash equivalents of \$4,229,334, accounts receivable of \$ 522,633 prepaid expenses of \$ 11,883 and accounts payable of \$318,212 for total working capital of \$4,444,638 compared to \$5,980,581 at the same time in 2006.

- **Expenses**

Total expenses for nine months ended September 30, 2007 were \$2,202,022 versus \$1,782,401 for the same period in 2006. The increase of \$419,621 is a result of higher operating costs at the Killam Field (\$146,479), increased G&A (\$129,456) a function of the number of world wide projects underway, Depletion ((\$116,153) and stock based compensation (\$27,533)

- **Liquidity and Solvency**

At September 30, 2007 Vangold's working capital was \$4,444,638. The cash reserves and consistent monthly revenue from the Killam North field have enabled Vangold to meet its 2007 operating and capital budgets.

- **Related Party Transactions**

During the nine month period ended September 30, 2007; Vangold paid or accrued to directors; management fees, director's fees and finder's fees of \$377,000 and reimbursed general and administrative expenses of \$6,325. All transactions were in the normal course of business.

- **Off-Balance Sheet Arrangements**

There are two off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Vangold, except for joint exploration arrangements as disclosed elsewhere in this management discussion and analysis. These arrangements are the IPO for Kanon Resources Ltd and the reverse take over by Horn Rare Metals Ltd. These arrangements will significantly reduce Vangold's present funding obligations with respect to these projects.

- **Financial Instruments**

Vangold's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and amounts due to joint-interest owners and related parties. Unless otherwise noted, it is management's opinion that the Vangold is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying value.

Vangold is exposed to foreign currency fluctuations through its operations in the United States, Africa, Brazil, Armenia and Papua New Guinea. Management monitors this exposure.

- **Critical Accounting Estimates**

Management is required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of Vangold. Amounts recorded for depletion, accretion expense, depreciation, future asset retirement obligation, stock based compensation and taxation is based on estimates. By their nature these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements from changes in such estimates in future years could be significant.

- **Summary of Securities as at September 30, 2007**

Authorized Capital

Unlimited common shares without par value

Issued and outstanding	Number of Shares	Amount
• Balance as at September 30 , 2007	76,448,789	\$27,688,372

- **Share warrants outstanding September 30, 2007 -Nil**
- **Stock options outstanding September 30, 2007**

Number of common shares	Exercise Price	Date of Expiry
850,000	\$0.22	April 2008
2,327,207	\$0.30	June 2008
1,200,000	\$0.30	September 2010
100,000	\$0.35	December 2008
300,000	\$0.35	December 2010
600,000	\$0.48	February 2012
400,000	\$0.48	February 2009
400,000	\$0.50	March 2009

- **Outstanding common shares, warrants and stock options at November 22, 2007**

Outstanding Shares	76,448,789
Outstanding Warrants	0
Outstanding Options	6,177,207

Directors and Officers as at November 22, 2007

Directors

Dal Brynelsen
Mike Muzyłowski
H.Martyn Fowlds
J. Michael Mackey
Tim Mills

Officers

Dal Brynelsen, President and CEO
H. Martyn Fowlds, Vice-President
Sandy Huntingford, Chief Financial Officer
Margo Peters, Corporate Secretary
Locke Goldsmith, Vice-President Exploration, North America

Subsequent Events

- 1- The Company signed a Production Sharing Contract with the Republic of Kenya for Block A (12,192 sq km.). Under the terms of the contract, in the initial contract period of three years, in addition to a signing bonus of US \$75,000, which has been paid, the Company will expend a minimum of US\$ 3,000,000 to conduct a technical study and plans to acquire 1,000 line-kilometre 2D seismic and 50 sq km 3D seismic. Provided the results are positive, during the third year of the initial exploration period, the Company will drill one exploratory well with a minimum expenditure of \$ 3,000,000
- 2- The Company signed a Technical Evaluation Agreement with the Republic of Rwanda for a 1,631 sq km evaluation area in the Kavu Graben region. Under the terms of the agreement the Company will conduct an evaluation of the hydrocarbon potential, aeromagnetic and gravity surveys will be conducted over an 18 month period with a budgeted cost of US1.2 million.
- 3- The Company has agreed to a private placement of its securities consisting of 9,000,000 units at a price of \$0.50 per unit. Each unit will consist of one share and one non-transferable share purchase warrant exercisable for a period of one year at a price of \$0.60 per share purchase warrant.
- 4- The Company accepted an offer \$4,668,000 from the operator of the Killam North field for its 26.25% interest. Closing is scheduled for November 28, 2007.
- 5- Effective November 28, 2007 Horn Rare Metals Ltd. completed the amalgamation and reverse take-over of Janina Resources Ltd, whose name changed to International Beryllium Corporation, Vangold received 25,609,756 shares of International Beryllium Corporation in exchange for its Horn Rare Metal Ltd. common shares.