

B.C. Securities
Commission

FORM 45-106F1
REPORT OF EXEMPT DISTRIBUTION

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This is the form required under section 6.1 of Regulation 45-106 for a report of exempt distribution.

Issuer information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Mengold Resources Inc.
360 Bay Street
Suite 500
Toronto, ON M5H 2V6
Tel: (416) 533-0323

Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

Reporting Issuer in Quebec, Alberta and British Columbia

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- | | |
|---|--|
| <input type="checkbox"/> Bio-tech | <input checked="" type="checkbox"/> Mining |
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production |
| <input type="checkbox"/> mortgage investment companies | <input type="checkbox"/> Oil and gas |
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Hi-tech | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Other (describe) _____ |

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

May 5, 2006

Item 6: For each security distributed:

(a) describe the type of security,

Series A Units and Series B Units (collectively, "Units"). Each Unit was offered at a price of \$0.215. Each Series A Unit is comprised of one (1) flow-through common share in the share capital of the Company and one-half of one flow-through common share purchase warrant ("Jan-07 Warrant"). Each Series B Unit is comprised of one (1) common share and one-half of one on-flow-through common share purchase warrant ("Nov-07 Warrant"). Each whole Jan-07 Warrant will entitle the holder thereof to purchase one (1) additional flow-through common share in the share capital of the Company at a price of \$0.35 for a period ending January 31, 2007. Each whole Nov-07 Warrant will entitle its holder to purchase one (1) additional non-flow-through common share in the share capital of the Company at a price of \$0.35 for a period ending November 5, 2007

(b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date ; and

2,385,000 Series A Units and 1,615,000 Series B Units

(c) state the exemption(s) relied on.

Section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Jurisdiction	Number of Securities	Price per Security	Total Amount
Quebec	1	\$0.215	\$2,150
British Columbia	3	\$0.215	\$48,375

Ontario	12	\$0.215	\$403,125
Alberta	14	\$0.215	\$239,725
Overseas	10	\$0.215	\$166,625
Total number of Purchasers	40		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$860,000

Note 1: If securities are issued at a different prices list the highest and lowest price the securities were sold for.

Commissions and finder's fees

Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature.

Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

[REDACTED]					
Wolverton Securities Ltd. 17th Floor 777 Dunsmuir Street P.O. Box 10115, Pacific Centre Vancouver, BC V7Y 1J5	\$16,780	33,450 Finder's Warrants ⁽¹⁾		2.3 of National Instrument 45-106 (to be issued upon receipt of exemption from para. 4 of Quebec Regulation Q-3)	

Jones Gable & Company Limited Suite 600 110 Yonge Street Toronto Ontario M5C 1T6	\$6,020	12,000 Finder's Warrants ⁽¹⁾	2.3 of National Instrument 45- 106 (to be issued upon receipt of exemption from para. 4 of Quebec Regulation Q-3)
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⁽¹⁾ Each Finder's Warrant entitles its holder to purchase one (1) non-flow-through common share in the share capital of the Company for a price of \$0.35 until January 31, 2007.

Item 9: If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: May 11, 2006

Mengold Resources Inc.
Name of issuer (please print)

Douglas G. Reason, Chief Financial Officer
(416) 533-9664

Print name, title and telephone number of person
signing


Signature

Item 10: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.