

BC FORM 53-901F

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE B.C. *SECURITIES ACT* AND 118(1) OF THE ALBERTA *SECURITIES ACT*

Item 1. Reporting Issuer

Vega Gold Ltd.
501 - 905 West Pender Street
Vancouver, BC V6C 1L6

Item 2. Date of Material Change

March 2, 2004

Item 3. Press Release

Press Release dated March 2, 2004 and disseminated to the Vancouver Stockwatch Magazine, B.C. Securities Commission, Alberta Securities Commission and Market News Publishing.

Place of Issuance: Vancouver, British Columbia.

Item 4. Summary of Material Change

The Issuer announces that the action between Ranken Energy and the Issuer has been settled.

Item 5. Full Description of Material Change

The Issuer is pleased to announce that the action between Ranken Energy Corporation ("Ranken") and the Issuer and its wholly owned subsidiary, Primo Energy ("Primo Energy"), has been settled.

The Issuer and its wholly owned subsidiary, Primo Energy were sued by Rankin of Oklahoma in connection with an Operating Agreement between Primo Energy and Ranken. The Operating Agreement involved the Hurricane Creek project, an oil and gas property located in Franklin County, Arkansas, in which Primo Energy held an interest. Revenue from the Hurricane Creek project did not cover the operating expenses that were billed to the interest holders by Ranken. The legal proceedings against both Primo Energy and the Issuer arose from the shortfall between revenues and expenses charged to Primo Energy. In connection with the Settlement, the Issuer has written off its interest in the Hurricane Creek project and Primo Energy has transferred its Hurricane Creek project interest to Ranken.

Item 6. Reliance on Section 85(2) of the B.C. Act and 118(2) of the Alberta Act

The Issuer is not relying on Section 85(2) of the B.C. Act or 118(2) of the Alberta Act.

Item 7. Omitted Information

There is no omitted information.

Item 8. Senior Officer

Anthony J. Beruschi, President & Director – 604.669.5819.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of March, 2004.

“Anthony J. Beruschi”
Anthony J. Beruschi, President