

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Gallery Resources Limited
2975, 700 West Georgia Street
Vancouver, BC
V7Y 1A1

ITEM 2 Date of Material Changes:

July 26, 2005.

ITEM 3 News Release:

News Release dated July 26, 2005, was disseminated by CCN Matthews, Canada Stockwatch and Market News on July 26, 2005, and a copy of the Material Change Report will be filed with the Alberta and British Columbia Securities Commissions and the TSX Venture Exchange on July 26, 2005, by SEDAR.

ITEM 4 & 5 Summary and Full Description of Material Changes:

See attached News Release dated July 26, 2005.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Subsection 7.1(2) or (3) is not being relied upon.

ITEM 7 Omitted Information:

No Information has been omitted on the basis that it is confidential.

ITEM 8 Executive Officer:

Mr. Bruce Costerd, President and CEO
Telephone: (604) 662-8119

ITEM 9 Date of Report

July 26, 2005.

"Richard Haderer" (signed)
RICHARD HADERER
Secretary and director

GALLERY RESOURCES LIMITED

P.O. Box 10033 Pacific Centre

TD Bank Tower

Suite 2975 – 700 West Georgia Street

Vancouver, B.C. V7Y 1A1

Telephone: (604) 662-8119; Facsimile (604) 662-8616

Canada & U.S.A. Toll Free: 1-800-565-7350

Web Site Address; <http://www.gallery-gold.com> Email Address: info@gallery-gold.com



Trading Symbol: GYR – TSX.V

For Immediate Release: July 26, 2005

Shabogamo Drill Hole Intersects Thick Sulphide Zones Hosted in Olivine Gabbro

Gallery Resources Limited (GYR: TSX.V) of Vancouver, B.C. and its partner, global resources company, BHP Billiton are pleased to report encouraging results from their on-going drilling program at the Evening Lake Nickel-Copper-Cobalt (Ni-Cu-Co) mineralized zone on the Shabogamo Project, western Labrador. All three holes have intersected and extended the orthomagmatic sulphide zone discovered last fall (Press Release November 10, 2004) in Shabogamo Gabbro.

Hole E1E, the first of 3 holes, intersected 12 metres (43 ft) of disseminated, pyrrhotite dominated sulphide mineralization 1.5 kilometres (0.92 miles) east of the 2004 E1W hole which intersected mineralization at electromagnetic conductor ELG001W. This indicates a possible 1.5 km strike length to the sulphide zone. A second hole, E1C, midway between the two holes intersected the disseminated sulphides over 9 metres. The sulphide content in both holes are estimated mainly between 2 and 5% with local concentrations, ranging up to 15% over narrow, less than 0.5 metre, intervals. These holes do not display the semi-massive concentrations intersected in the 2004 drilling program but confirm that the zone is a distinct flat lying sheet of orthomagmatic, net textured sulphides situated 44 to 60 metres below surface and showing potential for major strike and width extensions.

Hole E1W5 has intersected a total of 62 metres (203 feet) of pyrrhotite (the mineral commonly associated with nickel) enriched orthomagmatic, net textured sulphides with visible chalcopyrite, the copper-bearing mineral. This near vertical (-85° dip) 65 metre step-out hole, to the north of 2004 drill hole E1W4, has produced the most encouraging drill results to date at Shabogamo. It is the first hole to test the north dip extension of the 108 metre wide, 8-12 metre thick Ni-Cu-Co mineralized zone discovered last fall (between holes E1W and E1W4; reference Press Release November 10, 2004). At a vertical depth of 75 metres, 17 metres (56 feet) of net textured sulphides, visually estimated between 1-2% disseminated and 15-20% net textured. This is an overall increase over the percentages contained in last years drill core.

At a vertical depth of 145 metres (476 feet) E1W5 intersected a deeper, much thicker section of pyrrhotite – chalcopyrite mineralized, net textured sulphides. The sulphides are continuous over 45 metres (148 feet) of drill core to a depth of 190 metres (623 feet). It is not known if the 45 metres is a true thickness to the mineralization. This new zone is located at a much deeper level in olivine-bearing gabbro and shows a noteworthy increase in sulphide content from previous levels. Semi-massive sections ranging in thickness from several centimeters up to 2 metres occur within the zone. This

downward increase in sulphide content is consistent with the model for precipitating Ni-Cu-Co sulphides in magmatic systems whereby these minerals settle by gravitation to deep levels in the magma (gabbro) chamber during crystallization. The hole was drilled to a vertical depth of 325 metres and when stopped was still in gabbro.

These results which indicate a) a new and deeper mineralized zone, b) an increase in overall sulphide content (with frequent semi-massive sulphide sections), and c) increasing thickness of the mineralized zones and gabbro are all positive indicators of the potential to discover significant Ni-Cu-Co sulphide mineralization at Evening Lake. This latest drill hole also confirms the north extension of the mineralized zone discovered in 2004, which was initially detected during earlier Airborne Electromagnetic (AEM) Surveys.

The correspondence between the mineralized zones and the AEM conductive responses demonstrates that the mineralized sulphides are producing these responses. There are weaker AEM conductive responses that have yet to be drilled to the north of E1W5. A second step-out hole, E1W6, is presently being drilled to carry out further testing, 60 metres north of E1W5.

The mineralized core samples from all 3 holes completed at Evening Lake are being cut and will be forwarded for assaying later this week. The company advises assay results will be published upon receipt. These results together with the drill results from E1W6, now in progress, will direct future drilling at the Evening Lake Ni-Cu-Co mineralized zone.

Gallery Resources is also very pleased to announce the award of a \$150,000 (Cdn.) drilling grant from the Newfoundland and Labrador Department of Natural Resources. This maximum grant support received from the government will be used to assist with the drill evaluation of this important project. Mr. Bruce Costerd, President of Gallery Resources, states his appreciation of the support received from the Newfoundland and Labrador Government during the past few years for Gallery's ongoing projects in the province.

The technical information contained in this news release was collected and compiled by Victor A. French, P.Geo. who is a qualified person specified by the TSX Venture Policy.

**FOR MORE INFORMATION, PLEASE CONTACT INVESTOR RELATIONS:
TOLL-FREE, CANADA & USA: 1-800-565-7350.**

**THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT
RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**