

OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement") is dated for reference the 13 day of September, 2006.

AMONG:

HALLELUJUAH RESOURCES LLC, 11636 E. 119th St. Scottsdale, Arizona, U.S.A. 85259 ("Hallelujah"), as to a one-third interest;

SOUTH BRANCH RESOURCES, LLC, 580 S. Prospector Rd., Apache Junction, Arizona, U.S.A. 85219 ("South Branch"), as to a one-third interest;
and

MRP GEO COMPANY, LLC, 1700 E. Lakeside Drive, #57, Gilbert, Arizona, U.S.A. 85234 ("MRP"), as to a one-third interest,

(Hallelujah, South Branch, and MRP are collectively called the "Seller" or "Sellers")

AND:

NYAK RESOURCES INC., Suite 920, 475 West Georgia St., Vancouver, British Columbia, Canada V6B 4M9 ("NYAK"); and

GALWAY RESOURCES LTD., Suite 920, 475 West Georgia St., Vancouver, British Columbia, Canada V6B 4M9 ("Galway"),

(NYAK and Galway are together called the "Purchaser")

WHEREAS:

A. The Sellers own, each as to a one-third interest, certain unpatented federal lode mining claims (the "Mining Claims"), and hold certain leasehold interests under mining leases to state lands (the "State Leases"), which Mining Claims and State Leases (collectively, the "Properties") are on public lands located in Grant County, New Mexico and are more particularly described in Schedule "A" hereto.

B. The Seller desires to grant an option to NYAK to acquire the Properties, and NYAK is desirous of having the option entitling it to purchase an undivided 100% right, title and interest (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico, as well as the royalty interest reserved to the Seller pursuant to section 5 hereof) in and to the Properties, upon the terms and subject to the conditions contained in this Agreement.

C. NYAK is a private company and is a wholly owned subsidiary of Galway, a British Columbia company which is listed on the TSX Venture Exchange (the "Exchange").

NOW THEREFORE in consideration of the covenants and agreements set forth in this Agreement, the parties hereto hereby covenant and agree as follows:

1. OPTION

1.1 The Seller hereby grants to NYAK an option to acquire an undivided 100% registered and beneficial right, title and interest (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico, as well as the royalty interest reserved to the Seller pursuant to section 5 hereof) in and to the Properties, free and clear of all liens, changes, third party royalties, encumbrances and claims and upon the terms and subject to the conditions contained in this Agreement (the "Option").

1.2 During the term of this Agreement and subject to governmental and third-party rights under applicable law and any agreements respecting use of the land surface, the Purchaser and its employees and agents and any person duly authorized by the Purchaser shall have the sole and exclusive right and option to, to the extent permitted by applicable law, rules and regulations:

- (a) enter upon the lands covered by the Mining Claims and State Leases;
- (b) have exclusive and quiet possession thereof;
- (c) do such legally permitted prospecting, exploration, development or other mining work thereon and thereunder as the Purchaser in its sole discretion may consider advisable;
- (d) bring upon and erect upon the Properties such mining facilities as the Purchaser may consider advisable; and
- (e) remove from the Properties and sell or otherwise dispose of reasonable quantities of any minerals or mining products derived therefrom, for the purpose of obtaining assays or conducting other metallurgical tests.

1.3 On the Closing Date (as defined), the Sellers shall deliver to the Purchaser duly executed recordable transfers together with such supporting documents, if any, as are required to record and effect the transfer of the Properties from the Sellers to the Purchaser (the "Transfers"). The Purchaser shall be entitled to record the Transfers at its own cost with the appropriate government office or offices to effect legal transfer of the Properties into the name of the Purchaser. Prior to the full exercise of the Option, Purchaser shall in no way encumber the Properties, and if the Option is terminated for any reason prior to the full exercise thereof, the Purchaser shall deliver Transfers to the Sellers duly executed by the Purchaser. The Sellers shall be entitled to record this Agreement (or a memorandum hereof) against the Properties at their own cost provided that the Purchaser shall have first completed the recording of the Transfers in accordance with this section.

1.4 During the term of this Agreement, Purchaser shall have the sole responsibility and obligation to pay any and all fees, make any and all filings, and do any other actions necessary to maintain and preserve the Mining Claims and State Leases.

2. OPTION PAYMENTS

2.1 In order to maintain the Option in good standing and to earn the undivided 100% right, title and interest (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico, as well as the royalty interest reserved to the Seller pursuant to section 5 hereof) in and to the Properties, the Purchaser shall, subject to the approval of the Exchange, make the following allowable expenditures as defined in Schedule "B" ("Expenditures") and cash payments, and cause the issuance of the following common shares in the capital of Galway (the "Shares") to the Seller, to be divided as to one-third each amongst the Sellers, as follows:

- (a) the payment of US\$100,000 (less the sum of US\$30,000 previously paid to the Seller by the Purchaser) and issuance of 300,000 Shares on the date that is five business days after the date that the Exchange approves the acquisition of the Option and the making of the payments provided for in this section by the Purchaser (the "Closing Date");
- (b) the payment of a further US\$240,000, the issuance of a further 300,000 Shares and Expenditures of a minimum of US\$750,000 on the exploration and development of the Properties on or before the first anniversary of the Closing Date;
- (c) the payment of a further US\$360,000, the issuance of a further 360,000 Shares and the Expenditures of a minimum of a further US\$1,250,000 on the exploration and development of the Properties on or before the second anniversary of the Closing Date;
- (d) the payment of a further US\$450,000 and the issuance of a further 420,000 Shares on or before the third anniversary of the Closing Date; and
- (e) the Expenditures of a minimum of a further US\$5,000,000 on the exploration and development of the Properties on or before the fifth anniversary of the Closing Date.

If the Exchange does not approve the issuance of the Shares, then the parties shall negotiate another reasonably acceptable substitute for the value of the Shares. For convenience, fractional cash payments shall be rounded to the nearest one-one hundredth of a dollar, and fractional shares shall be rounded to the nearest whole share.

2.2 With respect to the Expenditures (but not payments of cash and issuance of Shares) set out in section 2.1:

- (a) subject to its continuing obligation to address any environmental and reclamation liabilities or obligations under any applicable law, leases, surface use agreements or permits arising from its operations on the Properties, the Purchaser shall have no obligation to make the Expenditures which remain due as set out in section 2.1 after this Agreement and the Option is terminated for any reason prior to the exercise of the Option;
- (b) if all of the permits or other governmental authorizations necessary to undertake the exploration of the Properties are not in place on the first anniversary of the Closing Date, for any reason or cause whatsoever, the deadlines in section 2.1 for the Expenditures to be made by the Purchaser shall be extended by the amount of time that it takes to obtain such permits and the Purchaser shall not be liable to the Sellers for any delay in obtaining the permits necessary to undertake the exploration of the Properties; and
- (c) any delays in obtaining surface access authorizations, if deemed desirable by Purchaser, or in obtaining further development or mining permits or other governmental authorizations beyond those described in paragraph (b) above shall not serve to extend the deadlines in section 2.1 for the Expenditures to be made by Purchaser.

2.3 From and after the Closing Date, the Purchaser may withdraw from and terminate the Option prior to the date on which any further Expenditure, payment or Shares issuance is required to be made or incurred provided that 30 days advance written notice has been given to Seller; provided further that Purchaser shall have a continuing obligation that survives any withdrawal, termination or cancellation of this Agreement to address any and all environmental and reclamation liabilities and obligations under any applicable law, leases, surface use agreements or permits arising from its operations on the Properties.

2.4 The Seller acknowledges and agrees that the Shares to be issued will be subject to whatever resale restrictions and escrow terms that may be imposed by applicable regulatory authorities, including the Exchange, and that Galway does not intend and has no obligation to file a prospectus, registration statement or similar document to qualify or register the Shares or the issuance thereof and that each of the Sellers will provide such documentation to Galway necessary for Galway to be able to issue the Shares under exemptions of the prospectus and registration requirements of applicable securities laws.

3. ACQUISITION OF INTEREST

3.1 Upon the completion by the Purchaser of the payments, Expenditures and Share issuances set out in section 2.1 hereof and written notice to the Seller (the "Exercise of Option"), the Purchaser shall have exercised the Option and earned an undivided 100% registered and beneficial right, title and interest (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico, as well as the royalty interest reserved to the Seller pursuant to section 5 hereof) in and to the Properties, free and clear of all liens, charges, third party royalties, encumbrances and claims.

3.2 The Purchaser shall be entitled at any time, in its sole discretion, to accelerate the Exercise of Option by making the outstanding payments, Expenditures and issuance of the Shares described in section 2.1 hereof which have not then been paid or issued by the Purchaser, and the Option shall thereupon be deemed (after written notice to the Seller) to have been exercised and the Purchaser shall have earned an undivided 100% registered and beneficial right, title and interest (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico, as well as the royalty interest reserved to the Seller pursuant to section 5 hereof) in and to the Properties, free and clear of all liens, charges, third party royalties, encumbrances and claims.

4. TERMINATION OF OPTION

4.1 This Agreement and the Option granted hereunder shall be terminable (subject to the survival of Purchaser's environmental and reclamation obligations as previously discussed herein) immediately by the Seller by notice in writing executed and delivered by the Seller to the Purchaser, in any of the following events:

- (a) if any of the payments, Expenditures or Share issuances referred to in section 2.1 have not been made to the Seller by the date on which such payment or share issuance is due; or
- (b) if the Purchaser should be in default in performing any material requirement herein set forth and has failed to take reasonable steps to cure such default within thirty (30) days after receipt by the Purchaser of a notice of default signed by the Seller.

4.2 In addition to any other termination provision contained in this Agreement, the Purchaser shall at any time have the right to terminate this Agreement by giving 30 days written notice of such termination to the Seller, and in the event of such termination this Agreement, save and except for the provisions of section 4.3 and 4.4 hereof and subject to the obligations of the Purchaser arising from termination, shall be of no further force and effect.

4.3 Upon termination of this Agreement pursuant to sections 4.1 or 4.2 hereof, the Purchaser shall:

- (a) deliver or cause to be delivered to the Seller within 30 days of the termination of this Agreement, copies of all reports, maps, plans, photographs, drill logs, stored drill core, assay results and other relevant technical data of the Purchaser relating to the Properties; provided, that the Seller acknowledges and agrees that the Purchaser does not make any representation or warranty concerning the accuracy or completeness thereof;

- (b) remove from the Properties within 12 months of termination of this Agreement any machinery, buildings, structures, facilities, equipment and all other property of every nature and description erected, placed or situated thereon by the Purchaser, whether or not affixed (the "Personal Property");
- (c) the Purchaser shall only leave the Personal Property after the twelve (12) month period if approved in writing by the Seller and then shall become the property of the Seller;
- (d) conduct any reclamation, remedial or removal activities as may be appropriate on, in or under any area of the Properties that was disturbed or indirectly affected by Purchaser and leave the Properties in a clean and environmentally acceptable condition in accordance with industry standards, and in full compliance with all applicable laws, permits, leases and surface use agreements to which the Purchaser is a party; and
- (e) transfer the unencumbered Properties back to the Seller using essentially the same form of Transfers used to convey the Properties to the Purchaser under section 1.3, and execute such other releases or documents as may be reasonable or necessary to show that the Properties have been returned to Seller.

4.4 If Purchaser terminates this Agreement pursuant to sections 4.1 or 4.2, and such termination is after June 1 of any calendar year, Purchaser shall pay all fees and costs to maintain the Mining Claims which become due at anytime during that same calendar year.

5. ROYALTY INTEREST OF SELLER

5.1 If the Purchaser exercises the Option, the Seller shall be entitled to receive and the Purchaser, or their successors or assigns, of the Properties shall pay to the Seller:

- (a) a royalty (the "**Fixed Royalty**") equal to three percent (3%) of Net Smelter Returns (as defined in Schedule "B" attached hereto) from all metals, bullion, concentrates, ores, minings or other products (the "**Products**") removed from the Mining Claims on federal lands, including unpatented claims; and
- (b) a further royalty (the "**NSR Royalty**") equal to two percent (2%) of Net Smelter Returns from all Products removed from the State Leases provided that, if the NSR Call Option (as defined) is exercised by the Purchaser, the NSR Royalty shall be replaced with another royalty (the "**Production Royalty**") equal to a percentage of Net Smelter Returns from the Products removed from the State Leases, which percentage shall be calculated in accordance with section 5.3.

5.2 The Purchaser shall be entitled to purchase 100% of the NSR Royalty associated with the State Leases (the "**NSR Call Option**") for the amount of US\$1,500,000, which NSR Call Option may be exercised by the Purchaser at any time during the 90 day period commencing on the date that the Purchaser receives a Bankable Feasibility Study as defined in Schedule "B". The amount payable can be paid, at the Purchaser's election, in cash, Shares or a combination of cash and Shares. The price for any Shares shall be based on the 2 week average closing price of the Purchaser's Shares prior to the date that it gives notice of exercise the NSR Call Option.

5.3 The Production Royalty payable to the Seller in the event the NSR Call Option is exercised shall be a percentage of Net Smelter Returns, calculated on the last business day before each payment is required under Part 6, based on the combined (i.e., added together) closing price of copper and zinc on that day, as reported by the London Metal Exchange, as follows:

- (a) below \$1.55 per pound, no amount is payable;
- (b) from \$1.55 per pound to \$1.85, the percentage is 0.20%;
- (c) from \$1.86 per pound to \$2.05, the percentage is 0.40%;
- (d) from \$2.06 per pound to \$2.25, the percentage is 0.60%;
- (e) from \$2.26 per pound to \$2.45, the percentage is 0.75%;
- (f) from \$2.46 per pound to \$2.65, the percentage is 1.00%;
- (g) from \$2.66 per pound to \$2.85, the percentage is 1.25%;
- (h) from \$2.86 per pound to \$3.05, the percentage is 1.50%;
- (i) from \$3.06 per pound to \$3.25, the percentage is 1.75%; and
- (j) greater than a combined copper-zinc price of \$3.25 per pound, the percentage is 2%.

6. ROYALTY PAYMENTS

6.1 Commencing on the Exercise of the Option or on the fourth anniversary of the Closing Date, whichever is earlier, the Purchaser shall pay to the Seller, on an annual basis, the sum of US\$300,000 as an advance on the Fixed Royalty and the NSR Royalty or the Production Royalty, as the case may be (together, the "Royalty"). The payments shall be made on or before each anniversary of the date of the Purchaser's Exercise of the Option or the fourth anniversary, as applicable, until the commencement of Commercial Production (as defined in Schedule "B").

6.2 Following the Commencement of Commercial Production, the Royalty payable to the Seller shall be paid quarterly within sixty (60) days following the end of each fiscal quarter of the Purchaser during which the Properties are in Commercial Production. If, in any 12 month period commencing on January 1 in any year following the Commencement of Commercial Production, the aggregate actual payments of the Royalty to the Seller are less than \$100,000, the Purchaser will pay to the Seller, on or before the last day of such 12 month period following the Commencement of Commercial Production, an amount equal to the difference between \$100,000 and the aggregate actual amount paid to the Optionors during such 12 month period pursuant to the Royalty.

6.3 The records relating to the calculation of Royalty payments shall be audited annually at the end of each fiscal year of the Purchaser and:

- (a) any adjustments of payments to the Seller shall be made forthwith;
- (b) a copy of the audited statements shall be delivered to the Seller;
- (c) the Seller shall have ninety (90) days after receipt of such statements to question their accuracy in writing and failing such objection the statements shall be deemed correct; and
- (d) the Seller or their auditor duly appointed in writing shall have the right at all reasonable times and, at the expense of the Seller, upon written request to inspect such of the books and financial records of the Purchaser as may be relevant to the determination of the Royalty payments hereunder and to make copies thereof.

6.4 The Purchaser shall have the right to commingle minerals and other materials from the Properties and ores and other materials from other properties. The Purchaser shall weigh, measure, assay and sample minerals and materials from the Properties and materials and ores from other properties before commingling. Representative samples of minerals and other ore and other materials shall be retained by the Purchaser, and assays of these samples shall be made before commingling to determine the metal content of each ore. The Purchaser shall keep detailed records of the weights, measurements, and assays of metal content and gross metal content of the minerals and other ore and materials.

6.5 Each party will not be responsible for the payment of any taxes which are based upon income, net proceeds, production, or revenues from the production of minerals from property assessable to the other party.

7. NO PRODUCTION OBLIGATION

7.1 The Purchaser shall be under no obligation whatsoever to place the Properties into production and, in the event Commercial Production is commenced, the Purchaser shall have the right at any time to curtail or suspend such production as it, in its absolute discretion, may determine.

8. CONDITIONS TO CLOSING IN FAVOR OF THE PURCHASER

8.1 The obligations of the Purchaser hereunder are subject to the fulfillment of each of the following conditions precedent on or prior to the Closing Date:

- (a) the matters set forth in section 11 ("Covenants, Representations, and Warranties of Seller") hereof shall be true and correct on the Closing Date;
- (b) (i) the representations and warranties made by the Seller herein being true and correct on the Closing Date, (ii) no legal proceeding, regulatory action or other proceeding existing on the Closing Date against the Seller or the Properties which could have a material adverse effect on the interests of the Purchaser hereunder, (iii) no breach shall have occurred as of the Closing Date in the covenants to be performed by the Seller hereunder, (iv) the Seller having received all required director, shareholder, regulatory and third party approvals and been in compliance with all applicable regulatory and third party approvals necessary to enter into this Agreement and effect the transactions hereunder, and (v) the Seller having provided to the Purchaser a certificate of the President or other senior officer satisfactory to the Purchaser certifying to the best of its knowledge after due inquiry the accuracy of the representations in clauses (i) to (iv) of this section 8.1(b); and
- (c) the Seller shall have provided the Transfers pursuant to section 1.3.

The foregoing conditions of this section 8.1 are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time.

8.2 In the event the conditions of this section 8 are not fulfilled and are not cured within 30 days after written notice to the Seller, the Purchaser shall not be required to make any of the payments in section 2.1 hereof.

9. CONDITIONS TO CLOSING IN FAVOR OF THE SELLER

9.1 The obligations of the Seller hereunder are subject to the fulfillment of each of the following conditions precedent on or prior to the Closing Date:

- (a) the matters set forth in section 10 ("Covenants, Representations, and Warranties of Purchaser") hereof shall be true and correct on the Closing Date; and
- (b) (i) the representations and warranties made by the Purchaser herein being true and correct on the Closing Date, (ii) no legal proceeding, regulatory action or other proceeding existing on the Closing Date against the Purchaser which could have a material adverse effect on the interests of the Seller hereunder, (iii) no breach shall have occurred as of the Closing Date in the covenants to be performed by the Purchaser hereunder, (iv) the Purchaser having received all required director, shareholder, regulatory and third party approvals and been in compliance with all applicable regulatory and third party approvals necessary to enter into this Agreement and effect the transactions hereunder, and (v) the Purchaser having provided to the Seller a certificate of the President or other senior officer satisfactory to the Seller certifying to the best of its knowledge after due inquiry the accuracy of the representations in clauses (i) to (iv) of this section 9.1(b).
- (c) all fees and actions necessary to be paid or taken in calendar year 2006 and thereafter to maintain the Mining Claims in good standing have been paid or taken by the Purchaser.

The foregoing conditions of this section 9.1 are for the exclusive benefit of the Seller and may be waived, in whole or in part, by the Seller at any time.

9.2 In the event the conditions of this section 9 are not fulfilled and are not cured within 30 days after written notice to the Purchaser, the Seller shall not be obligated to make the Transfers of the Properties hereunder, and the Purchaser shall have no option rights hereunder.

10. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

10.1 During the currency of this Agreement the Purchaser shall:

- (a) permit the Seller, or its representatives, duly authorized in writing, at their own risk and expense and pursuant to applicable laws, rules and regulations, access to the Properties at all reasonable times and to all records prepared by the Purchaser in connection with work done on or with respect to the Properties; provided that the Seller shall not, without the prior written consent of the Purchaser, such consent not to be unreasonably withheld, disclose any information obtained by them or communicated to them to any third party, except as may be required by regulatory bodies having jurisdiction;
- (b) keep the Properties free and clear of all liens, charges and encumbrances; comply with all applicable laws, rules, regulations, permits, leases and surface use agreements; and carry out operations in a good and workmanlike manner in accordance with generally accepted exploration and mining practice;
- (c) comply with all laws and keep the Properties in good standing by doing all acts and things and making all payments which may be necessary in that regard including, so long as this Agreement has not been terminated, payment of the annual maintenance payments for the Mining Claims to the Bureau of Land Management which become due in calendar year 2006 and in any subsequent calendar year during which this Agreement has not terminated prior to June 1 of such year.

10.2 The Purchaser represents and warrants to the Seller that:

- (a) NYAK is a corporation organized under the *New Mexico Business Corporations Act* NMSA 1978, and Galway is a corporation organized under the *Business Corporations Act* of British Columbia, Canada;

- (b) NYAK and Galway each have the corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby;
- (c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Purchaser;
- (d) other than the approval of the Exchange as to this Agreement and the issuance of the Shares, no permit, authorization or consent of any party is necessary for the consummation by the Purchaser of the transactions contemplated under this Agreement; and
- (e) the execution and delivery of this Agreement and the consummation by the Purchaser of the transactions contemplated under this Agreement will not result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under any indenture, agreement or other instrument to which the Purchaser is a party or by which it is bound.

10.3 The representations and warranties of the Purchaser set out in section 10.2 hereof are conditions upon which the Seller has relied in entering into this Agreement and shall survive the Closing Date until this Agreement is terminated. To the full extent permitted by law, the Purchaser will indemnify and save the Seller harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition contained in this Agreement. The Purchaser acknowledges and agrees that the Seller has entered into this Agreement relying on the warranties and representations and other terms and conditions of this Agreement.

11. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE SELLER

11.1 The Seller covenants, represents and warrants to the Purchaser that:

- (a) Hallelujah, South Branch and MRP, each, are a Limited Liability Company organized under the laws of the State of Arizona;
- (b) Hallelujah, South Branch and MRP, each, have the requisite limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated hereby;
- (c) it is the direct beneficial owner and will, on the Closing Date, be the recorded holder of an undivided 100% legal and equitable right, title and interest, free and clear of all encumbrances or adverse interests of any kind whatsoever (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico), in and to the Properties;
- (d) this Agreement has been duly authorized, executed and delivered by and on behalf of each of the Sellers;
- (e) neither the execution and delivery of this Agreement nor any of agreements referred to herein or contemplated hereby, nor the consummation of the transactions contemplated hereby, conflict with, will result in the breach of, or accelerate the performance required by, any agreement to which the Seller is a party or by which the Seller is bound;
- (f) the execution and delivery of this Agreement will not violate or result in a breach of the laws of any jurisdiction applicable to the Seller or to the Properties;

- (g) the Mining Claims have been duly and validly located and will on the Closing Date be duly and validly recorded pursuant to applicable Mining legislation;
- (h) subject to the Purchaser's fulfillment of its obligations during 2006 under section 10.1(c) hereof, the Mining Claims are valid and subsisting mining claims or leases, as the case may be, pursuant to applicable mining legislation as of the date of execution and delivery of this Agreement and as of the Closing Date and are in good standing, free and clear of all liens, charges and encumbrances and production royalties (except as contemplated by this Agreement), and, insofar as they were the Seller's and not the Purchaser's responsibility hereunder, all fees and taxes have been paid, all assessment work requirements for the Mining Claims have been performed and all filings and recordings of proof of performance have been made properly and all federal annual unpatented mining claim maintenance and rental fees have been paid properly and timely in respect thereof as of the date of execution and delivery of this Agreement and as of the Closing Date;
- (i) subject to applicable laws and the terms of the State Leases, the Properties permit the conduct of exploration and development activities of all kinds, including completion of survey grids, geophysical and geotechnical sampling, trenching, drilling and mapping upon application and approval of such actions as may be required by the appropriate regulatory agencies, and entitle the holder thereof to first priority to obtain permits which allow extraction of minerals in commercial quantities;
- (j) as of the date of execution and delivery of this Agreement and as of the Closing Date, to the best of the knowledge of the Sellers, there are no outstanding obligations or liabilities, contingent or otherwise, under any applicable environmental, mining or other law, including reclamation or rehabilitation work, associated with the Properties or arising out of past exploration, development and/or mining activities carried out with respect thereto;
- (k) the Seller has the exclusive right and authority to enter into this Agreement and to dispose of the Properties in accordance with the terms hereof and, subject to applicable law and except as disclosed herein, no person has any agreement, right or option (whether direct, indirect or contingent or whether pre-emptive or contractual) to purchase, or otherwise acquire any of the Properties;
- (l) it has good and sufficient right to enter into this Agreement and to carry out its obligations under this Agreement on the terms and conditions set forth herein, including the ability to transfer the Seller's interest (described in 11.1(c)) in the Properties to the Purchaser, and this Agreement is a binding agreement on the Seller, enforceable against the Seller in accordance with its terms and conditions; and
- (m) to the best of its knowledge, there are no undisclosed actions, suits or proceedings, pending or threatened against or affecting the Properties, at law or in equity, or before or by any federal, state, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign.

11.2 The covenants, representations and warranties of the Seller set out in section 11.1 hereof are conditions upon which the Purchaser has relied in entering into this Agreement and on making the payments, expenditures and Share issuances on the Closing Date pursuant to section 2.1 hereof and all subsequent payments and Share issuances required to be made by the Purchaser hereunder and shall survive the Closing Date under this Agreement for the acquisition of an undivided 100% right, title and interest (subject to the paramount interest of the United States and the lessor interest of the State of New Mexico, as well as the royalty interest reserved to the Seller pursuant to section 5 hereof) in and to the

Mining Claims by the Purchaser. To the full extent permitted by law, the Seller will indemnify and save the Purchaser harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition contained in this Agreement. The Seller acknowledges and agrees that the Purchaser has entered into this Agreement relying on the warranties and representations and other terms and conditions of this Agreement. If approved by the Sellers in advance and in writing after written notice to the Sellers specifying the loss or damage, the Purchaser may deduct the amount of any such loss or damage from any amounts payable by it to the Seller hereunder, including the amounts payable under section 2.1 hereof.

12. FORCE MAJEURE

12.1 If the Purchaser is prevented or delayed in complying with any provisions of this Agreement by reason of strikes, lockouts, labor shortages, power shortages, fires, wars, acts of God, governmental regulations restricting normal operations or any other non-regulatory reason or reasons beyond the control of the Purchaser, the time limited for the performance of the various provisions of this Agreement as set out above shall be extended by a period of time equal in length to the period of such prevention and delay. The Purchaser, insofar as is possible, shall promptly give written notice to the Seller of the particulars of the reasons for any prevention or delay under this section, and shall take all reasonable steps to remove the cause of such prevention or delay and shall give written notice to the Seller as soon as such cause ceases to subsist. For greater certainty, however, the provisions of this section 12.1 do not apply to the requirement of the Purchaser to make the payments, other than the exploration Expenditures, and to issue the Shares pursuant to section 2.1, and to make all other payments to Seller, to the State of New Mexico, and to the Bureau of Land Management as contemplated hereunder.

13. NOTICE

13.1 Any notice required to be given under this Agreement shall be deemed to be well and sufficiently given if delivered or mailed or sent by facsimile, in the case of the Seller addressed as follows:

Hallelujah
11636 N. 119th St.
Scottsdale, Arizona 85259
Attn: Thornwell Rogers
Fax: 480-563-8837

South Branch
580 S. Prospector Rd.
Apache Junction, Arizona 85219
Attn: Daniel Laux
Fax: 480-671-6605

MRP
1700 E. Lakeside Drive
#57 Gilbert, Arizona 85234
Attn: Michael Pawlowski
Fax: 480-648-6476

and in the case of the Purchaser addressed as follows:

Suite 920, 475 West Georgia St.
Vancouver, British Columbia
Attn.: Robert Hinchcliffe
Fax No.: 604-688-0094

and any notice given as aforesaid shall be deemed to have been given, if delivered, when delivered, if mailed, on the fifth business day after the date of mailing, and, if faxed, when received. Either party may from time to time by notice in writing change its address for the purpose of this section.

14. PAYMENTS

14.1 Any payments to the Sellers which the Purchaser is obligated to make or may make under the terms of this Agreement shall be divided amongst the Sellers as to one-third each, shall be in U.S. funds, and shall be deemed to have been well and sufficiently made in timely manner if checks drawn on a Canadian chartered bank or U.S. bank, payable to the Sellers, are express mailed to the Sellers at their respective addresses stipulated for receiving notices hereunder (or such other address as the Sellers shall so advise the Purchaser by prepaid registered mail from a point in Canada or the United States on or before the date such payment is to be made).

15. FURTHER ASSURANCES

15.1 The parties hereto agree to execute all such further or other assurances and documents and to do or cause to be done all acts or things necessary to implement and carry into effect the provisions and intent of this Agreement.

15.2 If the Purchaser or any agent of the Purchaser acquires any form of interest (including any option to acquire an interest) on lands which are adjacent to the Mining Claims, such interests will be added to the Properties under this Agreement, and the acquisition costs thereof will constitute Expenditures. Such added lands thereafter shall be treated the same as Properties for all purposes hereunder, including but not limited to the obligation to transfer to the Seller if the Purchaser's Option is not exercised prior to termination of this Agreement.

16. TIME OF ESSENCE

16.1 Time is of the essence in Agreement.

17. TITLES

17.1 The titles to the respective sections hereof shall not be deemed as part of this Agreement but shall be regarded as having been used for convenience only.

18. SUCCESSORS AND ASSIGNS

18.1 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

19. ARBITRATION

19.1 If any question, difference or dispute shall arise between the parties or any of them in respect of any matter arising under this Agreement (other than the payment of the cash payments provided for in section 2.1 hereof) or in relation to the construction hereof the same shall be determined by an arbitration award as follows:

- (a) the party or parties sharing one side of the dispute shall name an arbitrator and give notice thereof to the party or parties sharing the other side of the dispute;
- (b) the party or parties sharing the other side of the dispute shall, within 14 days of receipt of the notice, name an arbitrator; and

- (c) the two arbitrators so named shall, within 15 days of the naming of the latter of them, select a third arbitrator; or
- (d) alternatively, the parties may select a single arbitrator.

The decision of the arbitrator or the majority of these arbitrators shall be made within thirty (30) days after the selection of the latter of them. The expense of the arbitration shall be borne equally by the parties to the dispute and each party will pay its own attorney's fees and costs, during the course of the arbitration but upon the final arbitration decision being rendered, the losing party will pay, and reimburse the prevailing party for all such amounts paid by it, all arbitrators' fees and arbitration costs, subject to the contrary decision of the arbitrators. If the parties on either side of the dispute fail to name their arbitrator within the time limited or to proceed with the arbitration, the arbitrator named may decide the question. The arbitration shall be conducted in New Mexico in accordance with the provisions of the Uniform Arbitration Act of the State of New Mexico, and the decision of the arbitrator or a majority of the arbitrators, as the case may be, shall be conclusive and binding upon all the parties.

20. GOVERNING LAW

20.1 This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico applicable therein and subject to the arbitration provisions as detailed in section 19 herein, each of the parties irrevocably agrees that exclusive venue and jurisdiction shall be with the courts of the State of New Mexico in respect of any proceeding commenced or maintained in respect of or arising as a consequence of this Agreement or any arbitration conducted hereunder.

21. SEVERABILITY

21.1 If any term, provision, covenant or restriction of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties shall negotiate in good faith to modify the Agreement to preserve each party's anticipated benefits under the Agreement.

22. PUBLIC DISCLOSURE

22.1 The parties agree to maintain all information with respect to the Mining Claims and this Agreement confidential, subject to any obligations to disclose such information in accordance with applicable securities laws, stock exchange policies or other applicable laws.

22.2 Unless and until the transactions contemplated in this Agreement have been completed, except with the prior written consent of the other party, each of the parties and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other party in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law.

22.3 Subject to section 4.3(a), all such information in written form and documents will be returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not completed.

23. COSTS AND EXPENSES

23.1 Each of the parties hereto shall be responsible for its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to preparing

this Agreement and other documents associated with the transaction or otherwise relating to the transactions contemplated herein.

24. PRIOR AGREEMENTS

24.1 This Agreement supersedes and replaces all prior agreements between the parties hereto with respect to the Properties, which said prior agreements shall be deemed to be null and void upon the execution hereof.

25. RELATIONSHIP OF THE PARTIES

25.1 The obligations of each party under this Agreement shall be in every case several and shall not be, or be construed to be, either joint or joint and several and nothing herein shall be construed as creating a partnership between the parties. Nothing contained in this Agreement shall be deemed to constitute a party an agent or legal representative of the other party or to create a fiduciary relationship for any purpose whatsoever.

26. RECORDING OF AGREEMENT

26.1 Upon the execution of this Agreement, the parties agree to execute a short form memorandum of this Agreement for recording purposes against the Properties.

IN WITNESS WHEREOF the parties hereto have hereunto executed this Agreement effective the day and year first above written.

HALLELUJAH RESOURCES LLC

By: "Thornwell Rogers"
Thornwell Rogers

SOUTH BRANCH RESOURCES LLC

By: "Daniel Laux"
Daniel Laux

MRP GEO COMPANY, LLC

By: "Michael Pawlowski"
Michael Pawlowski

NYAK RESOURCES INC.

By: "Robert Hinchcliffe"
Robert Hinchcliffe, President

GALWAY RESOURCES LTD.

By: "Robert Hinchcliffe"
Robert Hinchcliffe, President