

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta and Saskatchewan but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".

INITIAL PUBLIC OFFERING

July 12, 2006

PRELIMINARY PROSPECTUS

GALORE RESOURCES INC.

(the "Company")

7,500,000 Units
\$0.40 per Unit

Galore Resources Inc. (the "Company") is hereby offering to purchasers resident in the provinces of British Columbia, Alberta and Saskatchewan, and elsewhere where permitted by applicable law, through its agent, Wolverton Securities Ltd. (the "Agent"), 7,500,000 Units (the "Units") at a price of \$0.40 per Unit (the "Offering"). Each Unit is comprised of one common share (the "Shares") in the capital of the Company and one-half share purchase warrant (each whole warrant referred to as a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Common Share of the Company (a "Warrant Share") upon payment of the exercise price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the closing of the Offering (the "Closing Date").

	Number of Units	Price To Public⁽¹⁾	Agent's Commission (2)(3)(4)(5)	Net Proceeds to Company
Per Unit	n/a	\$0.40	\$0.032	\$0.368
Total Offering	7,500,000 ⁽⁶⁾	\$3,000,000	\$240,000	\$2,760,000 ⁽⁷⁾

Notes:

- (1) The Offering Price of the Units and the terms of the Offering have been determined by negotiation between the Company and the Agent.
- (2) The Company has agreed to pay the Agent a cash commission equal to 8% of the gross proceeds from the sale of Units and any Over-Allotment Units sold under the Offering (the "Agent's Commission"). One-half of the Agent's Commission is payable in Agent's Commission Units at the option of the Agent. This Prospectus qualifies the distribution of the Agent's Commission Units to the Agent.
- (3) The Company has agreed to issue an option to the Agent (the "Agent's Option") entitling the Agent to purchase that number of Units of the Company (the "Agent's Units") as is equal to 15% of the total number of Units and Over-Allotment Units sold under the Offering at a price of \$0.40 per Agent's Unit for a period of 24 months from the Closing Date. This Prospectus qualifies the distribution of the Agent's Units to the Agent.
- (4) The Company has agreed to pay to the Agent a corporate finance fee (the "Corporate Finance Fee") of \$30,000 plus applicable GST. As at the date of this Prospectus, the Agent has been paid \$10,000 of the Corporate Finance Fee as a

non-refundable due diligence fee. Up to one-half of the Corporate Finance Fee is payable in Corporate Finance Units at the option of the Agent. This Prospectus qualifies the distribution of the Corporate Finance Units to the Agent.

- (5) The Company must also pay for the Agent's expenses associated with the Offering. See "Plan of Distribution" for additional information.
- (6) The Company has granted the Agent an option (the "Over-Allotment Option"), exercisable up to 24 hours before the Closing Date, to solicit subscriptions for and purchase up to an additional 1,125,000 Units (the "Over-Allotment Units") at the Offering Price and to require the Company to issue and deliver such number of Over-Allotment Units as is required to cover any Over-Allotment. Each Over-Allotment Unit will be comprised of one Common Share (an "Over-Allotment Share") and one-half share purchase warrant (each whole warrant being referred to hereinafter as an "Over-Allotment Warrant"). The Over-Allotment Warrants will have the same terms as the Warrants, with each Over-Allotment Warrant entitling the holder to purchase one additional Common Share at a price of \$0.50 at any time prior to the date which is 12 months from the Closing Date. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of any Over-Allotment Shares or Over-Allotment Warrants pursuant to the Over-Allotment Option. If the Agent exercises the Over-Allotment Option in full, the total price of the Offering to the public will be \$3,450,000, the total Agent's Commission will be \$276,000, assuming that the Agent does not elect to receive any Agent's Commission Units, and the net proceeds to the Company will be \$3,174,000. See "Plan of Distribution".
- (7) Before deducting the balance of the expenses of the Offering, estimated to be \$112,000 and assuming that the Agent does not elect to receive Agent's Commission Units or Corporate Finance Units.

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. Investments in natural resource issuers involve a significant degree of risk. The degree of risk increases substantially where the issuer's properties are in the exploration as opposed to the development stage. All of the properties of the Company are in the exploration or pre-exploration stage and do not contain a known body of commercial ore. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

The Company has applied to list the Shares distributed under this Prospectus on the TSX Venture Exchange (the "Exchange"). Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

The Agent, as exclusive agent of the Company for the purposes of the Offering, conditionally offers the Units on a commercially reasonable efforts basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the Agency Agreement referred to under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Certificates representing the Shares and the Warrants will be available for delivery on Closing.

Certain legal matters relating to the securities offered hereby will be passed upon by Morton & Company, Barristers & Solicitors, on behalf of the Company and by Miller Thomson LLP, Barristers & Solicitors, on behalf of the Agent:

**WOLVERTON SECURITIES LTD.
17th Floor, 777 Dunsmuir Street,
Vancouver, British Columbia, V7Y 1J5.**

TABLE OF CONTENTS

GLOSSARY OF NON-TECHNICAL TERMS	5
PROSPECTUS SUMMARY	16
CORPORATE STRUCTURE	18
Name and Incorporation	18
Intercorporate Relationships	18
GENERAL DEVELOPMENT OF THE BUSINESS.....	18
Three Year History	18
Significant Acquisitions and Dispositions	18
Trends.....	27
NARRATIVE DESCRIPTION OF THE BUSINESS.....	27
Stated Business Objectives	27
Property Description and Location	28
(a) Area and Location	28
(b) Nature and Extent of Company's Title	29
(c) Royalties, Agreements and Encumbrances	30
(d) Environmental Liabilities	30
(e) Location of Mineralization.....	30
(f) Permits	32
Accessibility, Climate, Local Resources, Infrastructure and Physiography.....	32
History - Prior Ownership and Results of Exploration Work Ownership	32
Geological Setting.....	34
Exploration Work	35
Ground Based Geophysical Surveys.....	35
Geochemical Surveys	37
Integrative Geology	37
Rock Geochemistry	37
Deposit Types.....	38
Mineralization	38
Drilling	45
Sampling, Analyses and Security of Samples	45
Mineral Resources and Mineral Reserves.....	46
Adjacent Properties.....	46
Exploration and Developments	47
Recommendations	47
USE OF PROCEEDS.....	49
Funds Available.....	49
Principal Purposes.....	49
SELECTED FINANCIAL INFORMATION AND MANAGEMENT.....	50
MANAGEMENT'S DISCUSSION AND ANALYSIS	50
DESCRIPTION OF SECURITIES DISTRIBUTED	55
Authorized and Issued Share Capital.....	55
CONSOLIDATED CAPITALIZATION	56
OPTIONS TO PURCHASE SECURITIES	57
Outstanding Options.....	57
PRIOR SALES	59
ESCROWED SHARES.....	59
Shares Subject to Resale Restrictions.....	61
PRINCIPAL SHAREHOLDERS	62
DIRECTORS AND OFFICERS	62
Corporate Cease Trade Orders or Bankruptcies	64

Penalties or Sanctions	64
Personal Bankruptcies	65
Conflicts of Interest.....	65
EXECUTIVE COMPENSATION	65
Long-Term Incentive Plan Awards During the Most Recently Completed Financial Year	66
Option/SAR Grants During the Most Recently Completed Financial Year	66
Aggregated Options/SAR Exercises in Last Financial Year and Financial Year-End	
Option/SAR Values	66
Termination of Employment, Changes in Responsibility and Employment Contracts.....	66
Compensation of Directors	67
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	67
PLAN OF DISTRIBUTION	67
RISK FACTORS	69
PROMOTERS	74
LEGAL PROCEEDINGS.....	74
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	74
RELATIONSHIP BETWEEN THE COMPANY AND AGENTS.....	75
AUDITORS.....	75
REGISTRAR AND TRANSFER AGENT.....	75
MATERIAL CONTRACTS.....	75
LEGAL MATTERS	77
EXPERTS	77
RELATIONSHIP BETWEEN THE COMPANY'S PROFESSIONAL	
PERSONS AND EXPERTS	77
OTHER MATERIAL FACTS	77
PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION.....	77
AUDITORS' CONSENT	79
FINANCIAL STATEMENTS	80
AUDITORS' REPORT	811
CERTIFICATE OF GALORE RESOURCES INC.....	99
CERTIFICATE OF THE AGENT	100

GLOSSARY OF NON-TECHNICAL TERMS

“ACME” means Acme Analytical Laboratories;

“Additional Options” means all or any one or more of the Additional Northwest Copper Option, the Additional Charlie – Hub Option, the Additional Spokane Option, the Additional Fortune Option, the Additional Battlement Option and the Additional Magic - Twin Option;

“Agency Agreement” means the Agency Agreement dated for reference June 14, 2006 between the Agent and the Company relating to the Offering;

“Agent” means Wolverton Securities Ltd.;

“Agent’s Commission” means the fee equal to 8% of the gross proceeds from the sale of Units and Over-Allotment Units under the Offering, payable in cash to the Agent by the Company for services rendered by the Agent in connection with the Offering. At the discretion of the Agent, one-half of the Agent’s Commission may be paid in Agent’s Commission Units;

“Agent’s Commission Shares” means the Common Shares to be issued to the Agent at Closing as part of the Agent’s Commission Units;

“Agent’s Commission Units” means Units to be issued to the Agent, at the discretion of the Agent, equal to one-half of the Agent’s Commission, each Agent’s Commission Unit comprised of one Agent’s Commission Share and one-half of one Agent’s Commission Warrant;

“Agent’s Commission Warrants” means the share purchase warrants issued as part of the Agent’s Commission Units, each whole Agent’s Commission Warrant entitling the Agent to acquire one Agent’s Commission Warrant Share at a price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the Closing Date;

“Agent’s Commission Warrant Shares” means the Common Shares to be issued to the Agent upon the exercise of the Agent’s Commission Warrants;

“Agent’s Option” means the option to be issued to the Agent at Closing, entitling the Agent to acquire that amount of Agent’s Units as is equal to 15% of the number of Units and Over Allotment Units sold under the Offering at a price of \$0.40 per Agent’s Unit for a period of 24 months from Closing;

“Agent’s Shares” means the Common Shares to be issued as part of the Agent’s Units;

“Agent’s Units” means the Units to be issued to the Agent upon exercise of the Agent’s Option, each Agent’s Unit comprised of one Agent’s Share and one-half of one Agent’s Warrant;

“Agent’s Warrants” means the share purchase warrants to be issued as part of the Agent’s Units, each whole Agent’s Warrant entitling the Agent to acquire one Agent’s Warrant Share at a price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the Closing Date;

“Agent’s Warrant Shares” means the Common Shares to be issued to the Agent upon exercise of the Agent’s Warrants;

“Battlement Agreement” means the agreement between the Company, Zelon Chemicals and Michael Byrne dated July 21, 2005 respecting the Battlement Property;

“Battlement Option Agreement” means the Battlement Agreement as amended June 26, 2006 and the Byrne Agreement, collectively;

“Battlement Property” means the Battlement claims which are subject to the Battlement Agreement;

“Byrne Agreement” means the agreement between the Company and Michael Byrne dated April 10, 2006 respecting the Option Agreements;

“Byrne Management Agreement” means the management agreement between the Company and Michael Byrne dated June 23, 2006;

“Charlie-Hub Agreement” means the agreement between the Company, Zelon Enterprises and Michael Byrne dated July 22, 2005 respecting the Charlie-Hub Property;

“Charlie-Hub Option Agreement” means the Charlie – Hub Agreement as amended June 26, 2006 and the Byrne Agreement, collectively;

“Charlie-Hub Property” means the Charlie-Hub claims which are subject to the Charlie-Hub Agreement;

“Closing” means the closing of the Offering;

“Closing Date” means such date or dates on which the Company and the Agent may close the Offering;

“Common Share” means a common share in the capital of the Company;

“Company” means Galore Resources Inc.;

“Corporate Finance Fee” means the fee of \$30,000 plus applicable GST payable to the Agent in consideration for corporate finance services provided in connection with the Offering, of which \$10,000 plus GST has been paid to the Agent as a non-refundable due diligence fee. Up to \$15,000 of the Corporate Finance Fee may be paid in Corporate Finance Units at the discretion of the Agent;

“Corporate Finance Shares” means the Common Shares to be issued to the Agent at Closing as part of the Corporate Finance Units;

“Corporate Finance Units” means Units to be issued to the Agent, at the discretion of the Agent, equal to not more than \$15,000 of the Corporate Finance Fee;

“Corporate Finance Warrants” means the share purchase warrants issued as part of the Corporate Finance Units, each whole Corporate Finance Warrant entitling the Agent to acquire one Corporate Finance Share at a price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the Closing Date;

“Corporate Finance Warrant Shares” means the Common Shares to be issued to the Agent upon the exercise of the Corporate Finance Warrants;

“Effective Date” means the date on which the Securities Commission that is the principal regulator under National Policy 43-201 “Mutual Reliance Review System for Prospectuses and AIFs” issues a decision document evidencing that receipts for this Prospectus have been issued by the Securities Commissions;

“Escrow Agreement” means the escrow agreement dated July 6, 2006 between the Company, Pacific Corporate Trust Company, Michael Byrne, John Hajek, William Bird, William Coulter, Tex C. Enemark, Ray Torresan, Zelon Enterprises, Valor Mines and Valor Resources;

“Exchange” means the TSX Venture Exchange;

“Falconbridge” means Falconbridge Nickel Mines Limited

“Fortune Agreement” means the agreement between the Company, Zelon Chemicals and Michael Byrne dated July 21, 2005 respecting the Fortune Property;

“Fortune Option Agreement” means the Fortune Agreement as amended June 26, 2006 and the Byrne Agreement, collectively;

“Fortune Property” means the Fortune claims which are subject to the Fortune Agreement;

“Galore Claims” means the 45 mineral claims staked and held by the Company and the undersurface rights to 3 crown grants which the Company acquired;

“Letter Agreement” means the agreement between John Hajek, Marlyse Hajek, Michael Byrne, Zelon Enterprises, Valor Mines, Zelon Chemicals, Valor Resources and the Company dated February 1, 2005 regarding the Taseko Claims;

“Listing Date” means the date on which the Common Shares of the Company are listed for trading on the Exchange;

“Magic-Twin Agreement” means the agreement between the Company, Valor Resources and Michael Byrne dated July 21, 2005 respecting the Magic-Twin Property;

“Magic-Twin Option Agreement” means the Magic-Twin Agreement as amended June 26, 2006 and the Byrne Agreement, collectively;

“Magic-Twin Property” means the Magic-Twin claims which are subject to the Magic-Twin Agreement;

“NI 45-102” means National Instrument 45-102 of the Canadian Securities Administrators;

“Northwest Copper Agreement” means the agreement between the Company, Valor Mines. and Michael Byrne dated May 30, 2005 respecting the Northwest Copper Property;

“Northwest Copper Option Agreement” means the Northwest Copper Agreement as amended June 26, 2006 and the Byrne Agreement, collectively;

“Northwest Copper Property” means the Northwest Copper claims which are subject to the Northwest Copper Agreement;

“NP 46-201” means National Policy 46-201 of the Canadian Securities Administrators;

“NSR” means the 1.5% net smelter return royalty payable pursuant to the Option Agreements;

“Offering” means the Offering of 7,500,000 Units and 1,125,000 Over-Allotment Units of the Company as described in this Prospectus;

“Offering Period” means the 90 day period following the Effective Date;

“Offering Price” means \$0.40 per Unit;

“Option Agreements” means the Battlement Option Agreement, Charlie – Hub Option Agreement, Fortune Option Agreement, Magic–Twin Option Agreement, Northwest Copper Option Agreement and Spokane Option Agreement, collectively;

“Over-Allotment Option” means the option provided by the Company to the Agent, exercisable to sell up to 1,125,000 Over-Allotment Units;

“Over-Allotment Shares” means the Common Shares forming part of the Over-Allotment Units;

“Over-Allotment Units” means up to 1,125,000 Units of the Company which may be sold by the Agent upon exercise of the Over-Allotment Option, each Over-Allotment Unit being comprised of one Over-Allotment Share and a one-half Over-Allotment Warrant;

“Over-Allotment Warrants” means the share purchase warrants issued as part of the Over-Allotment Units, each whole Over-Allotment Warrant entitling the holder to acquire one Over-Allotment Warrant Share at a price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the Closing Date;

“Over-Allotment Warrant Share” means a Common Share of the Company issued upon exercise of an Over-Allotment Warrant;

“Plan” means the Company’s stock option plan adopted on May 25, 2006 by the Company’s Board of Directors and providing for the granting of incentive options to the Company’s directors, officers, employees and consultants in accordance with the rules and policies of the TSX Venture Exchange;

“Prospectus” means this prospectus and any appendices, schedules or attachments hereto;

“Rio Tinto” means Rio Tinto Canadian Exploration Limited;

“Schau” means Mikkel Schau, Ph.D., P.Geo., a qualified independent consulting geologist;

“Schau Report” means the Technical Report on the Taseko Claims entitled “The Taseko Project: A brief historical review and a summary of 2005 Field Work” dated January 10, 2006 and prepared for the Company by Dr. Mikkel Schau, P.Geo.;

“Securities Commissions” means the British Columbia Securities Commission, the Alberta Securities Commission and the Saskatchewan Financial Services Commission;

“Selling Firms” means licensed dealers, brokers and investment dealers retained by the Agent as sub-agents to assist in the placement of subscriptions for Units under the Offering;

“Shares” means the 7,500,000 Common Shares forming part of the Units offered for sale under this Prospectus;

“Spokane Agreement” means the agreement between the Company, Zelon Enterprises and Michael Byrne dated July 21, 2005 respecting the Spokane Property;

“Spokane Option Agreement” means the Spokane Agreement as amended June 26, 2006 and the Byrne Agreement, collectively;

“Spokane Property” means the Spokane claims which are subject to the Spokane Agreement;

“Subscriber” means a person or other entity that subscribes for Units under the Offering;

“Suncor” means Suncor Inc.;

“Taseko Claims” means the 85 mineral claims held by the Company consisting of the Battlement, Charlie-Hub, Fortune, Magic-Twin, Northwest Copper and Spokane Properties, all subject to the Option Agreements;

“Taseko Property” means the Taseko Claims and the Galore Claims, collectively;

“Taylor-Windfall Mine” means the mineral rights underlying District of Lillooet Lots DL 2643 (013 337 378), DL 2644 (013 337 408) and DL 2649 (013 337 416);

“Torresan Management Agreement” means the management agreement between the Company and Ray Torresan dated March 1, 2006;

“Units” means the 7,500,000 Units offered for sale under this Prospectus, as well as up to 1,125,000 Over-Allotment Units, up to 345,000 Agent’s Commission Units, and up to 37,500 Corporate Finance Units, each Unit, Over-Allotment Unit, Agent’s Commission Unit, and Corporate Finance Unit consisting of one Common Share and one-half of one Warrant, exercisable at a price of \$0.50 per share for a 12 month period following the Closing;

“Valor Mines” means Valor Mines Inc.

“Valor Resources” means Valor Resources Ltd.

“Warrants” means the share purchase warrants to be issued as part of the Units, each whole Warrant entitling the holder to acquire one Warrant Share at a price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the Closing Date;

“Warrant Share” means a Common Share of the Company issued upon exercise of a Warrant.

“Zelon Chemicals” means Zelon Chemicals Ltd.

“Zelon Enterprises” means Zelon Enterprises Ltd.

GLOSSARY OF TECHNICAL TERMS

Ag	The elemental symbol for silver.
Alluvium	A general term for clay, silt, sand, gravel or similar unconsolidated sedimentary material deposited during comparatively recent geologic time by a stream or other body of running water as sorted or semi-sorted sediment in the bed of the stream or on its flood plain or delta, or as a cone or fan at the base of a mountain slope.
Alteration	Usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids.
Aluminosilicate	A class of minerals with the basic structure and composition of AlSiO_4 .
Alunite	A potassium aluminosilicate mineral, formed by the hydrothermal alteration of feldspar rich rocks.
Andalusite	Aluminum silicate mineral that occurs in medium to high grade metamorphic rocks.
Andesite	A dark coloured, fine grained volcanic rock.
Anomaly	A geological feature in the subsurface, distinguished by geological, geophysical, or geochemical means, which is different from the general surroundings and is often of potential economic value.
Argillic	A type of replacement or alteration of feldspars to form clay minerals that occur in wall rocks adjacent to mineral veins.
As	The elemental symbol for arsenic.
Assay	An analysis to determine the presence, absence or quantity of one or more components, elements or minerals.
Au	The elemental symbol for gold.
Batholith	An igneous intrusion, usually granitic, which has a large exposed surface area and no observable bottom. Usually associated with orogenic belts.
BCGS	British Columbia Geological Survey
Borosilicates	A group of silicate minerals also containing boron.
Breccia	A rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material.
Chalcopyrite	Copper, iron sulphide mineral. The most economically important copper mineral in porphyry copper deposits.
Chlorite	Magnesium iron aluminosilicate mineral formed by the alteration of mafic minerals.

Conglomerate	A coarse grained sedimentary rock composed of rounded to subangular fragments larger than 2 millimetres in diameter set in a fine grained matrix of sand and silt and commonly cemented with calcium carbonate, silica or hardened clay.
Corundum	Aluminum oxide mineral.
Cu	The elemental symbol for copper.
Dacite	A fine grained acid volcanic rock, similar to rhyolite in which the feldspar is predominantly plagioclase. The volcanic equivalent of granodiorite and quartz diorite.
DDH	A diamond drill hole.
Diaspore	Aluminum hydroxide mineral formed by the alteration of corundum and other aluminum rich minerals.
Dickite	An aluminosilicate clay mineral.
Diorite	A coarse grained, plutonic igneous rock that consists of intermediate plagioclase and one or more ferromagnesian minerals and little or no quartz.
Dip	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike; may also apply to the angle of inclination for a drill hole.
Dumortierite	An aluminosilicate mineral found in medium to high grade metamorphic rocks.
Enargite	Copper arsenic sulphide mineral. An important ore mineral of copper.
Epidote	Calcium aluminosilicate mineral. Occurs in low grade metamorphic rocks and alteration zones.
Epithermal	A hydrothermal mineral deposit formed within about one kilometer of the earth's surface and in the temperature range of 50 – 200 degrees Celsius. Also used to denote the environment of deposition.
Fault	A break in rocks with noticeable movement or displacement of the rocks on either side of the break.
Fe	The elemental symbol for iron.
Felsic	An igneous rock that has an abundance of light colored minerals such as quartz and feldspars in the matrix.
Feldspar	A common silicate mineral that occurs in all rock types and decomposes to form much of the clay in soil.
Ferromagnesium	Containing iron and magnesium usually applied to mafic silicate minerals.

Fire Assay	A highly precise and accurate analytical method for the determination of gold and other precious metal content in rock, soil and sediment samples. Typically used on ore-grade samples.
Fractures	Breaks in a rock, usually due to intensive folding or faulting.
Galena	Lead sulphide mineral. The principal ore mineral of lead.
Gangue	The term used to describe worthless minerals or rock waste mixed in with the valuable minerals.
Geochemical	Pertaining to various chemical aspects (e.g. concentration, associations of elements) of naturally occurring media such as rock, soil and water.
Gibbsite	Aluminum hydroxide mineral formed by the alteration of aluminum rich minerals.
Gouge	A thin layer of soft, earthy material along the margins of faults and veins.
Granite	A coarse grained, plutonic igneous rock that is normally pale pink, pale pink-brown, or pale grey, and composed of quartz, alkali feldspar, micas and accessory minerals.
GSC	Geological Survey of Canada
g/t	Grams per tonne.
Hectare	An area of 100 square metres.
Hessite	Silver tellurium mineral.
Hg	The elemental symbol for mercury.
Hornblende	Iron magnesium silicate mineral common in igneous and high grade metamorphic rocks.
Hydrothermal	Hot fluids, usually water, which may carry metals and other compounds in solution to the site of mineral deposition or wall rock alteration.
ICP-EP	Inductively Coupled Plasma - Atomic Emission Spectrometer: An instrument capable of determining the concentrations over 70 elements simultaneously and capable of very low detection limits (ppm to ppb).
ICP-MS	Inductively Coupled Plasma - Mass Spectrometer: An instrument capable of determining the concentrations of over 70 elements simultaneously and capable of ultra low detection limits (ppb to ppt).
Igneous	A rock formed by the cooling of molten silicate material.
Intermediate	An igneous rock made up of both felsic and mafic minerals (diorite).
Intermontane	A superterrane that was accreted to the western margin of the North American

Superterrane	continent approximately 180 Ma.
Intrusion	A general term for a body of igneous rock formed below the surface of the earth.
IP	Induced polarization, a geophysical survey method.
Kaolinite	An aluminosilicate clay mineral.
Ma	Millions of years before present.
Mafic	A term used to describe ferromagnesian minerals.
Metamorphic rock	Any rock which is altered within the earth's crust by the effects of heat and/or pressure and/or chemical reactions.
Metasedimentary rock	Any sedimentary rock that shows evidence of having been subjected to metamorphism.
Mineralization	A term used to describe the presence of minerals of possible economic value. Also used to describe the process by which concentration of economic minerals occurs.
Mo	The elemental symbol for molybdenum.
Molybdenite	Molybdenum sulphide mineral. The principal ore mineral of molybdenum.
NTS	The National Topographic System, an agency of the Canadian government that provides general-purpose topographic map coverage of Canada.
Ore	A mineral or aggregate of minerals which can be commercially mined at a profit.
Orpiment	Arsenic sulphide mineral. Occurs as deposits from hot springs.
Outcrop	An exposure of rock at the earth's surface.
Pb	The elemental symbol for lead.
Porphyry	Igneous rock of any composition that contains conspicuous phenocrysts in a fine grained groundmass.
ppb	Parts per billion.
ppm	Parts per million.
Pyrite	Iron sulphide mineral. The most common and abundant sulphide minerals and often associated with copper and gold.
Quartz	The second most common rock forming mineral in the earth's crust.
Realgar	Arsenic sulphide mineral. Occurs as nodules in ore veins and as massive or granular deposits associated with hot springs.

Rhyolite	The fine grained equivalent of a granite.
Sandstone	A sedimentary rock composed of grains of sand sized particles set in a matrix of silt and clay and cemented by calcium carbonate and/or silica.
Sb	The elemental symbol for antimony.
Sedimentary	A rock formed from cemented or compacted sediments.
Sediments	The debris resulting from the weathering and breakup of other rocks that have been deposited by or carried by runoff, streams and rivers, or left over from glacial erosion or sometimes from wind action.
Selvage	The chilled margin of a rock mass, having some distinctive fabric or composition.
Sericite	A fine grained potassium mica mineral. Formed through the alteration of aluminosilicate minerals.
Shale	A fine grained sedimentary rock formed by the compaction of clay, mud and silt.
Siderite	Iron carbonate mineral.
Silica	A common rock forming compound comprised of silicon dioxide (SiO_2) that can exist in crystalline and non-crystalline (amorphous) forms.
Silicates	The largest and most important class of rock forming minerals. Silicate minerals are classified based on the structure of their silicate anion group.
Siliceous	Pertaining to a rock having a high silica content.
Sphalerite	Zinc sulphide mineral. The principal ore mineral of zinc.
Strike	The direction or bearing from true north of a vein, rock formation or structure measured on a horizontal surface.
Sulphide	A class of minerals characterized by the linkage of S with a metal (ie., pyrite (FeS_2)).
Superterrane	Composite terranes grouping individual terranes and other assemblages sharing a distinctive tectonic history.
Tennantite	Iron copper arsenic sulphide mineral. An important source of copper.
Terrane	A crustal block or fragment that preserves a distinctive geologic history that is different from the surrounding areas and that is usually bounded by faults.
Tetrahedrite	Copper, iron, antimony (silver) sulphide mineral. An important copper and silver ore mineral.

Tetradymite	Bismuth tellurium sulphide mineral. Occurs in high temperature hydrothermal quartz veins.
Tourmaline	A borosilicate mineral widely distributed in silica rich igneous and metamorphic rocks.
Transverse Fault	A fault that strikes perpendicular or obliquely to the general structural trend of the region.
Tuff	A volcanic rock formed through the compaction of volcanic crystals and/or rock fragments generally smaller than 4 mm in diameter.
Vein	A geological feature comprised of minerals (usually dominated by quartz) that are found filling openings in rocks created by faults or replacing rocks on either side of faults or fractures.
VLF-EM	Very low frequency electromagnetic geophysical survey.
Volcanic rock	A finely crystalline or glassy igneous rock resulting from volcanic actions at or near the earth's surface.
Zn	The elemental symbol for zinc.

METRIC EQUIVALENTS

To convert from metric	To imperial	Multiply by
hectares	acres	2.471
metres	feet	3.281
kilometres	miles	0.621
tonne (1,000 kilograms)	tons (2,000 pounds)	1.102
grams per tonne	ounces (troy)/ton	0.029
kilogram	ounces	32.151

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company:	The Company is engaged in the business of exploration and development of mineral properties in Canada. The Company holds an interest in the Taseko Property described herein. The Company's objective is to explore and develop the Taseko Property. See "Narrative Description of the Business".
The Taseko Property:	The Taseko Property is comprised of 130 mineral claims and the undersurface rights to 3 crown grants in the Tchaikazan River-Upper Taseko Lake-Taseko River Area of the Clinton Mining Division in British Columbia.
The Offering:	7,500,000 Units are being offered at a price of \$0.40 per Unit for aggregate gross proceeds of \$3,000,000. See "Plan of Offering".
Over-Allotment Option:	The Company has granted the Agent the Over-Allotment Option exercisable up to 24 hours prior to the Closing Date which will permit the Agents to solicit and accept subscriptions for up to a maximum of 1,125,000 Over-Allotment Units at the Offering Price and to require the Company to issue and deliver such number of Over-Allotment Units required to cover such Over-Allotment. This Prospectus qualifies the distribution of the Over-Allotment Option and the distribution of any Over-Allotment Shares and Over-Allotment Warrants pursuant to the Over-Allotment Option. See "Plan of Distribution".
Use of Proceeds:	The Company will receive aggregate net proceeds of \$2,760,000 for the sale of Units pursuant to this Prospectus (assuming no exercise of the Over-Allotment Option and no election by the Agent to receive Agent's Commission Units). These funds will be combined with the Company's working capital of approximately \$50,000 as at June 30, 2006 for a total of \$2,810,000. The Company intends to apply such proceeds as follows:

	Funds to be Used (<u>\$</u>)
To pay the balance of the estimated remaining costs of the Offering (including legal, audit, printing expenses and Corporate Finance Fee, assuming that the Agent does not elect to receive any Corporate Finance Units)	\$112,000
Exploration Budget	\$1,940,000
Property payments through 2006	\$28,000 ⁽¹⁾
To provide funding sufficient to meet administrative costs for 12 months	\$341,100
Unallocated working capital	\$388,900
Total:	\$2,810,000

(1) This figure represents aggregate property payments in respect of the Charlie-Hub, Spokane, Fortune, Battlement and Magic-Twin Properties, all due on or before July 21, 2006. The 2006 payment in respect of the Northwest Copper Property was made prior to May 30, 2006.

If all or a portion of the Over-Allotment Option is exercised, the net proceeds from the sale of the Over-Allotment Units, after deduction of the commission payable in respect thereof, will be added to the Company's working capital.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary.

Risk Factors:

An investment in the Units should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings and to date has not defined any commercial quantities of mineral reserves on its properties. While the Company has followed standard industry accepted due diligence procedures to ensure that it has valid title to its properties, there is no guarantee that the Company's ownership interest cannot be challenged by claims from unknown third parties claiming an interest in its properties. The Company and its assets may also become subject to uninsurable risks. The Company's activities may require permits or licenses which may not be granted to the Company. The Company competes with other companies with greater financial resources and technical facilities. The Company may be affected by political, economic, environmental and regulatory risks beyond its control. The Company is currently largely dependent on the performance of its directors and officers and there is no assurance the Company can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely. See the section entitled "Risk Factors" for details of these and other risks relating to the Company's business.

**Summary
of Financial
Information:**

The following selected financial information is subject to the detailed information contained in the financial statements of the Company and notes thereto appearing elsewhere in the Prospectus. The selected financial information is derived from the audited financial statements of the Company for the year ended March 31, 2006 and the period from incorporation (November 12, 2004) to March 31, 2005.

	Year ended March 31, 2006	Period From Incorporation to March 31, 2005
Interest Income	\$0	\$0
Loss (before income taxes)	\$(278,610)	\$(50,664)
Total Assets	\$1,068,361	\$186,754
Total Liabilities	\$157,566	\$27,417
Shareholders Equity (deficit)	\$910,795	\$159,337

See "Selected Financial Information and Management's Discussion and Analysis".

CORPORATE STRUCTURE

Name and Incorporation

The Company was incorporated under the British Columbia Business Corporations Act on November 12, 2004 under the name TRW Resources Inc. The Company changed its name to Galore Resources Inc. on March 31, 2005. The Company's registered office is located at Suite 1200 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8. The Company's head office is located at 506 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company is engaged in the exploration and development of mineral properties. See "Narrative Description of the Business".

Intercorporate Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and develop economic minerals deposits. The Company commenced operations in November 2004, the year of its incorporation.

Pursuant to six option agreements dated May 30, 2005, July 21, 2005 and July 22, 2005, the Company holds an option to acquire a 100% interest, subject to a 1.5% net smelter return royalty, in and to the Taseko Claims. The Taseko Claims are comprised of the Battlement, Charlie-Hub, Fortune, Magic – Twin, Northwest Copper and Spokane Properties and are located in the Taseko Lakes area of the Clinton Mining Division in west central British Columbia. The Taseko Claims consist of six contiguous claim blocks, each governed by a separate option agreement.

The Company carried out a limited orientation survey during the summer and fall of 2005. A number of local geophysical orientation surveys, a geochemical sampling survey and a small integration survey of geological, geochemical and geophysical features were conducted mainly in the area of the Charlie-Hub Property. Small local geophysical surveys were also conducted on the Northwest Copper and Magic-Twin properties.

Significant Acquisitions and Dispositions

The Taseko Property

The most significant acquisitions by the Company since incorporation are the acquisition of options to acquire 100% interests in the six properties comprising the Taseko Claims. The six option agreements are referred to herein as: (i) the Battlement Agreement; (ii) the Charlie-Hub Agreement; (iii) the Fortune Agreement; (iv) the Magic-Twin Agreement; (v) the Northwest Copper Agreement; and (vi) the Spokane Agreement. All six option agreements were amended pursuant to the Byrne Agreement. Each option agreement as amended by the Byrne Agreement is described in more detail below under separate heading. For additional information related to each specific property, see "Narrative Description of the Business".

The Northwest Copper Option Agreement

The Company holds its interest in the Northwest Copper Property pursuant to the Northwest Copper Agreement. The Company's obligations to pay consideration to Michael Byrne pursuant to the Northwest Copper Agreement were amended by the Byrne Agreement (see page 26 below). Michael Byrne is a director and President of the Company. Valor Mines is controlled by John Hajek, a director and officer of the Company.

Pursuant to the Northwest Copper Option Agreement, the Company holds an initial option to acquire a 90% interest in the Northwest Copper Property, subject to the NSR. In order for the Company to exercise the option and acquire a 90% interest in the Northwest Copper Property, the Company must:

- (a) pay \$10,000 to Valor Mines, which amount has been paid;
- (b) pay \$10,000 to Valor Mines on each anniversary date of the Northwest Copper Agreement, until such time as all other requirements to exercise the option have been met. The Company has made the first payment due on May 30, 2006;
- (c) issue an aggregate 2,080,000 Company shares to Valor Mines as follows:
 - (i) 1,040,000 shares, which shares have been issued;
 - (ii) 520,000 shares on or before May 30, 2007; and
 - (iii) 520,000 shares on or before May 30, 2008;
- (d) issue an aggregate 260,000 Company shares to Michael Byrne as follows:
 - (i) 130,000 shares, which shares have been issued; and
 - (ii) 130,000 shares on or before May 30, 2006, which shares have been issued.
- (e) expend not less than \$1,000,000 on the exploration and development of the Northwest Copper Property by May 30, 2010.

The Company's interest in the Northwest Copper Property will be subject to a 1.5% NSR, of which a 0.75% NSR interest will be held by each of Valor Mines and Michael Byrne. Upon acquiring a 90% interest in the Northwest Copper Property, the Company will have the option (the "Additional Northwest Copper Option"), for a period of five years from the date of exercise of the original option, to purchase an additional 10% interest in the Northwest Copper Property and the 1.5% NSR by paying \$400,000 to Valor Mines and by paying up to \$100,000 to Byrne (see Byrne Agreement on page 26 below).

All cash payments made to Valor Mines on the anniversary dates of the Northwest Copper Agreement shall be applied as a credit in favour of the Company against any amounts paid by the Company to Valor Mines pursuant to the exercise of the Additional Northwest Copper Option. If the Additional Northwest Copper Option expires or is terminated prior to being exercised by the Company, all cash payments made to Valor Mines prior to such expiry or termination shall be retained by Valor Mines.

The Northwest Copper Option Agreement gives the Company full and exclusive right and authority to access the Northwest Copper Property for the purpose of carrying out mineral exploration and development work. The Northwest Copper Option Agreement is an option agreement only and the Company may terminate it at any time by providing written notice of such termination.. If the Company terminates the Northwest Copper Agreement, it shall not be obligated to incur further exploration

expenditures on the Northwest Copper Property. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by Valor Mines and will be required to issue any shares due to be issued prior to the next anniversary date of the Northwest Copper Agreement.

The Charlie-Hub Property

The Company holds its interest in the Charlie-Hub Property pursuant to the Charlie-Hub Agreement. The Company's obligations to pay consideration to Michael Byrne pursuant to the Charlie-Hub Agreement were amended by the Byrne Agreement (see page 26 below). Zelon Enterprises is controlled by John Hajek, a director and officer of the Company.

Pursuant to the Charlie-Hub Option Agreement, the Company holds an option to acquire a 90% interest in the Charlie-Hub Property, subject to a 1.5% NSR. In order for the Company to exercise the option and acquire a 90% interest in the Charlie-Hub Property, the Company must:

- (a) pay \$10,000 to Zelon Enterprises, which amount has been paid;
- (b) pay \$10,000 to Zelon Enterprises on each anniversary of the Charlie-Hub Agreement until such time as all other requirements to exercise the option have been met;
- (c) issue an aggregate 1,600,000 Company shares to Zelon Enterprises as follows:
 - (i) 400,000 shares, which shares have been issued;
 - (ii) 400,000 shares on or before July 22, 2006;
 - (iii) 400,000 shares on or before July 22, 2007; and
 - (iv) 400,000 shares on or before July 22, 2008;
- (d) issue an aggregate 200,000 Company shares to Michael Byrne as follows:
 - (i) 100,000 shares, which shares have been issued; and
 - (ii) 100,000 shares on or before July 22, 2006; and
- (e) expend not less than \$500,000 on the exploration and development of the Charlie-Hub Property by July 22, 2010.

The Company's interest in the Charlie-Hub Property will be subject to a 1.5% NSR, of which a 0.75% interest will be held by each of Zelon Enterprises and Michael Byrne. Upon acquiring a 90% interest in the Charlie-Hub Property, the Company will have the option (the "Additional Charlie – Hub Option"), for a period of five years from the date of exercise of the original option, to purchase the additional 10% interest in the Charlie-Hub Property by paying \$400,000 to Zelon Enterprises and up to \$100,000 to Byrne (see Byrne Agreement on page 26 below).

Upon acquiring a 90% interest in the Charlie-Hub Property, the Company will have the option (the "Charlie – Hub Buy-Back Option") to purchase the 1.5% NSR for a period of eight years from the date of exercise of the original option. The Charlie – Hub Buy-Back Option may be exercised by paying \$250,000 to Zelon Enterprises and by either paying \$250,000 or, at the Company's election, issuing \$250,000 in Common Shares to Michael Byrne (see Byrne Agreement on page 26 below).

All cash payments made to Zelon Enterprises on the anniversary dates of the Charlie – Hub Agreement shall be applied as a credit in favour of the Company against any amounts paid by the Company to Zelon Enterprises pursuant to the exercise of the Additional Charlie – Hub Option. If the Additional Charlie – Hub Option expires or is terminated prior to being exercised by the Company, all cash payments made to Zelon Enterprises prior to such expiry or termination shall be retained by Zelon Enterprises.

The Charlie-Hub Option Agreement gives the Company full and exclusive right and authority to access the Charlie-Hub Property for the purpose of carrying out mineral exploration and development work. The Charlie-Hub Agreement is an option agreement only and the Company may terminate it at any time by providing written notice of such termination. If the Company terminates the Charlie-Hub Agreement, it shall not be obligated to incur further exploration expenditures on the Charlie-Hub Property. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by Zelon Enterprises, and will be required to issue any shares due to be issued prior to the next anniversary date of the Charlie – Hub Agreement.

The Spokane Property

The Company holds its interest in the Spokane Property pursuant the Spokane Agreement. The Company's obligations to pay consideration to Michael Byrne pursuant to the Spokane Option Agreement were amended by the Byrne Agreement (see page 26 below).

Pursuant to the Spokane Option Agreement, the Company holds an option to acquire a 90% interest in the Spokane Property, subject to a 1.5% NSR. In order for the Company to exercise the option and acquire a 90% interest in the Spokane Property, the Company must:

- (a) pay \$5,000 to Zelon Enterprises, which amount has been paid;
- (b) pay \$5,000 to Zelon Enterprises on each anniversary date of the Spokane Agreement until such time as all other requirements to exercise the option have been met;
- (c) issue an aggregate 640,000 Company shares to Zelon Enterprises as follows:
 - (i) 160,000 shares, which shares have been issued;
 - (ii) 160,000 shares on or before July 21, 2006;
 - (iii) 160,000 shares on or before July 21, 2007; and
 - (iv) 160,000 shares on or before July 21, 2008;
- (d) issue an aggregate 80,000 Company shares to Michael Byrne as follows:
 - (i) 40,000 shares, which shares have been issued; and
 - (ii) 40,000 shares on or before July 21, 2006.
- (e) expend not less than \$300,000 on the exploration and development of the Spokane Property by July 21, 2010.

The Company's interest in the Spokane Property will be subject to a 1.5% NSR, of which a 0.75% interest will be held by each of Zelon Enterprises and Michael Byrne. Upon acquiring a 90% interest in the Spokane Property, the Company will have the option (the "Additional Spokane Option"), for a period of five years from the date the original option was exercised, to purchase an additional 10% interest in the

Spokane Property by paying \$400,000 to Zelon Enterprises and up to \$100,000 to Byrne (see Byrne Agreement on page 26 below).

Upon acquiring a 90% interest in the Spokane Property, the Company will have the option (the “Spokane Buy-Back Option”) to purchase the 1.5% NSR for a period of eight years from the date of exercise of the original option. The Spokane Buy-Back Option may be exercised by paying \$250,000 to Zelon Enterprises and by either paying \$250,000 or at the Company’s election, issuing \$250,000 in Common Shares to Michael Byrne (see Byrne Agreement on page 26 below).

All cash payments made to Zelon Enterprises on the anniversary dates of the Spokane Agreement shall be applied as a credit in favour of the Company against any amounts paid by the Company to Zelon Enterprises pursuant to the exercise of the Additional Spokane Option. If the Additional Spokane Option expires or is terminated prior to being exercised by the Company, all cash payments made to Zelon Enterprises prior to such expiry or termination shall be retained by Zelon Enterprises.

The Spokane Option Agreement gives the Company full and exclusive right and authority to access the Spokane Property for the purpose of carrying out mineral exploration and development work. The Spokane Option Agreement is an option agreement only and the Company may terminate it at any time by providing written notice of such termination. If the Company terminates the Spokane Agreement, it shall not be obligated to incur further exploration expenditures on the Spokane Property. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by Zelon Enterprises, and will be required to issue any shares due to be issued prior to the next anniversary date of the Spokane Agreement.

The Fortune Property

The Company holds its interest in the Fortune Property pursuant to the Fortune Agreement. The Company’s obligations to pay consideration to Michael Byrne pursuant to the Fortune Agreement were amended by the Byrne Agreement (see page 26 below). Zelon Chemicals is controlled by Marlyse Hajek, the wife of a director and officer of the Company.

Pursuant to the Fortune Option Agreement, the Company holds an option to acquire a 90% interest in the Fortune Property, subject to a 1.5% NSR. In order for the Company to exercise the option and acquire a 90% interest in the Fortune Property, the Company must:

- (a) pay \$5,000 to Zelon Chemicals, which amount has been paid;
- (b) pay \$5,000 to Zelon Chemicals on each anniversary date of the Fortune Agreement until all of the other requirements to exercise the option have been met;
- (c) issue an aggregate 640,000 Company shares to Zelon Chemicals as follows:
 - (i) 160,000 shares, which shares have been issued;
 - (ii) 160,000 shares on or before July 21, 2006;
 - (iii) 160,000 shares on or before July 21, 2007; and
 - (iv) 160,000 shares on or before July 21, 2008;
- (d) issue an aggregate 80,000 Company shares to Michael Byrne as follows:

- (i) 40,000 shares, which shares have been issued; and
- (ii) 40,000 shares on or before July 21, 2006; and
- (e) expend not less than \$200,000 on the exploration and development of the Fortune Property by July 21, 2010.

The Company's interest in the Fortune Property will subject to a 1.5% NSR, of which a 0.75% interest will be held by each of Zelon Chemicals and Michael Byrne. Upon acquiring a 90% interest in the Fortune Property, the Company will have the option (the "Additional Fortune Option"), for a period of five years from the date of exercise of the original option, to purchase the additional 10% interest in the Fortune Property by paying \$400,000 to Zelon Chemicals and up to \$100,000 to Byrne (see Byrne Agreement on page 26 below).

Upon acquiring a 90% interest in the Fortune Property, the Company will have the option (the "Fortune Buy-Back Option") to purchase the 1.5% NSR for a period of eight years from the date of exercise of the original option. The Fortune Buy-Back Option can be exercised by paying \$250,000 to Zelon Chemicals and by either paying \$250,000 or at the Company's election, issuing \$250,000 in Common Shares to Michael Byrne (see Byrne Agreement on page 26 below).

All cash payments made to Zelon Chemicals on the anniversary dates of the Fortune Agreement shall be applied as a credit in favour of the Company against any amounts paid by the Company to Zelon Chemicals pursuant to the exercise of the Additional Fortune Option. The Fortune Option Agreement gives the Company full and exclusive right and authority to access the Fortune Property for the purpose of carrying out mineral exploration and development work. If the Additional Fortune Option expires or is terminated prior to being exercised by the Company, all cash payments made to Zelon Chemicals prior to such expiry or termination shall be retained by Zelon Chemicals.

The Fortune Option Agreement is an option agreement only and the Company may terminate it at any time by providing written notice of such termination. If the Company terminates the Fortune Option Agreement, it shall not be obligated to incur further exploration expenditures on the Fortune Property. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by Zelon Chemicals, and will be required to issue any shares due to be issued prior to the next anniversary date of the Fortune Agreement.

The Battlement Property

The Company holds its interest in the Battlement Property pursuant to the Battlement Agreement. The Company's obligations to pay consideration to Michael Byrne pursuant to the Battlement Agreement were amended by the Byrne Agreement (see page 26 below).

Pursuant to the Battlement Option Agreement, the Company holds an option to acquire a 90% interest in the Battlement Property, subject to a 1.5% NSR. In order for the Company to exercise the option and acquire a 90% interest in the Battlement Property, the Company must:

- (a) pay \$3,000 to Zelon Chemicals, which amount has been paid;
- (b) pay \$3,000 to Zelon Chemicals on the anniversary date of the Battlement Agreement until all other requirements to exercise the option have been met;
- (c) issue an aggregate 160,000 Company shares to Zelon Chemicals as follows:
 - (i) 40,000 shares, which shares have been issued;

- (ii) 40,000 shares on or before July 21, 2006;
- (iii) 40,000 shares on or before July 21, 2007; and
- (iv) 40,000 shares on or before July 21, 2008;
- (d) issue an aggregate 20,000 Company shares to Michael Byrne as follows:
 - (i) 10,000 shares, which shares have been issued; and
 - (ii) 10,000 shares on or before July 21, 2006; and
- (e) expend not less than \$150,000 on the exploration and development of the Battlement Property by July 21, 2010.

The Company's interest in the Battlement Property will be subject to a 1.5% NSR, of which a 0.75% interest will be held by each of Zelon Chemicals and Michael Byrne. Upon acquiring a 90% interest in the Battlement Property, the Company will have the option (the "Additional Battlement Option"), for a period of five years from the date the original option was exercised, to purchase the additional 10% interest in the Battlement Property by paying \$400,000 to Zelon Chemicals and up to \$100,000 to Byrne (see Byrne Agreement on page 26 below).

Upon acquiring a 90% interest in the Battlement Property, the Company will have the option (the "Battlement Buy-Back Option") to purchase the 1.5% NSR for a period of eight years from the date of exercise of the original option. The Battlement Buy-Back Option can be exercised by paying \$250,000 to Zelon Chemicals and by either paying \$250,000 or at the Company's election, issuing \$250,000 in Common Shares to Michael Byrne (see Byrne Agreement on page 26 below).

All cash payments made to Zelon Chemicals on the anniversary dates of the Battlement Agreement shall be applied as a credit in favour of the Company against any amounts paid by the Company to Zelon Chemicals pursuant to the exercise of the Additional Battlement Option. If the Additional Battlement Option expires or is terminated prior to being exercised by the Company, all cash payments made to Zelon Chemicals prior to such expiry or termination shall be retained by Zelon Chemicals.

The Battlement Option Agreement gives the Company full and exclusive right and authority to access the Battlement Property for the purpose of carrying out mineral exploration and development work. The Battlement Option Agreement is an option agreement only and the Company may terminate it at any time by providing written notice of such termination. If the Company terminates the Battlement Option Agreement, it shall not be obligated to incur further exploration expenditures on the Battlement Property. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by Zelon Chemicals, and will be required to issue any shares due to be issued prior to the next anniversary date of the Battlement Agreement.

The Magic-Twin Property

The Company holds its interest in the Magic-Twin Property pursuant to the Magic-Twin Agreement. The Company's obligations to pay consideration to Michael Byrne pursuant to the Magic-Twin Agreement were amended by the Byrne Agreement (see page 26 below). Valor Resources is controlled by John Hajek, a director and officer of the Company.

Pursuant to the Magic-Twin Option Agreement, the Company holds an option to acquire a 90% interest, in the Twin – Magic Property, subject to a 1.5% NSR. In order for the Company to exercise the option and acquire a 90% interest in the Magic-Twin Property, the Company must:

- (a) pay \$5,000 to Valor Resources, which amount has been paid;
- (b) pay \$5,000 to Valor Resources on each anniversary date of the Magic-Twin Agreement until all other requirements to exercise the option have been met;
- (c) issue an aggregate 480,000 Company shares to Valor Resources as follows:
 - (v) 120,000 shares, which shares have been issued
 - (vi) 120,000 shares on or before July 21, 2006;
 - (vii) 120,000 shares on or before July 21, 2007; and
 - (viii) 120,000 shares on or before July 21, 2008;
- (d) issue an aggregate 60,000 Company shares to Michael Byrne as follows:
 - (iii) 30,000 shares, which shares have been issued; and
 - (iv) 30,000 shares on or before July 21, 2006;
- (e) expend not less than \$200,000 on the exploration and development of the Magic-Twin Property by July 21, 2010.

The Company's interest in the Magic-Twin Property will be subject to a 1.5% NSR, of which a 0.75% interest will be held by each of Valor Resources and Michael Byrne. Upon acquiring a 90% interest in the Magic-Twin Property, the Company will have the option (the "Additional Magic – Twin Option"), for a period of five from the date the original option is exercised, to purchase the additional 10% interest in the Magic-Twin Property by paying \$400,000 to Valor Resources and up to \$100,000 to Byrne (see Byrne Agreement on page 26 below).

Upon acquiring the Additional Magic – Twin Option, the Company will have the option (the "Magic – Twin Buy-Back Option") to purchase the 1.5% NSR for a period of eight years from the date of exercise of the original option. The Magic – Twin Buy-Back Option can be exercised by paying \$250,000 to Valor Resources and by either paying \$250,000 or at the Company's election, issuing \$250,000 in Common Shares to Michael Byrne (see Byrne Agreement on page 26 below).

All cash payments made to Valor Resources on the anniversary dates of the Magic – Twin Agreement shall be applied as a credit in favour of the Company against any amounts paid by the Company to Valor Resources pursuant to the exercise of the Additional Magic – Twin Option. If the Additional Magic – Twin Option expires or is terminated prior to being exercised by the Company, all cash payments made to Valor Resources prior to such expiry or termination shall be retained by Valor Resources.

The Magic-Twin Option Agreement gives the Company full and exclusive right and authority to access the Magic-Twin Property for the purpose of carrying out mineral exploration and development work. The Magic-Twin Option Agreement is an option agreement only and the Company may terminate it at any time by providing written notice of such termination. If the Company terminates the Magic-Twin Option Agreement, it shall not be obligated to incur further exploration expenditures on the Magic-Twin Property. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by Valor Resources, and will be required to issue any shares due to be issued prior to the next anniversary date of the Magic – Twin Agreement.

The Taylor-Windfall Mine

The Company holds a 100% interest in the Taylor-Windfall Mine, being the mineral rights underlying three Crown Granted mineral claims located within the boundaries of the Battlement Claims. The Taylor-Windfall Mine was purchased by the Company for \$15,000 pursuant to the terms of an April 12, 2005 agreement with J.D. Graham & Associates Ltd. of Chemainus, British Columbia. The Company holds a 100% interest in the Taylor-Windfall Mine, but does not own the surface rights to the overlying lands. Surface ownership is held by the Province of British Columbia.

The Galore Claims

The Galore Claims consist of 45 mineral claims that are contiguous with the Taseko Claims. The Company staked the Galore Claims over the period commencing in November 2004 through December 2005 and the Company holds a 100% interest in and to these claims. The Galore Claims are not subject to any third party ownership or royalty interests and are adjacent to the Taseko Claims.

Termination Agreement

John Hajek, Marlyse Hajek, Michael Byrne, Zelon Enterprises, Zelon Chemicals, Valor Resources, Valor Mines and the Company entered into a Letter Agreement dated February 1, 2005 regarding the Taseko Claims. The following shares were issued to the following parties in consideration for the Company's interest in the Taseko Claims pursuant to the Letter Agreement:

Name	Number of Shares
Valor Resources	1,400,000
Zelon Chemicals	1,300,000
Zelon Enterprises	1,300,000
Michael Byrne	1,000,000

Upon signing the Option Agreements and a termination agreement dated July 22, 2005, the Letter Agreement was terminated and the foregoing share issuances were acknowledged.

Byrne Agreement

Pursuant to the terms of the Byrne Agreement, Michael Byrne agreed to waive his right to receive certain Common Share issuances under each of the Northwest Copper, Charlie – Hub, Fortune, Battlement, Magic – Twin and Spokane Property Agreements. In addition, under the Byrne Agreement, the \$100,000 to be paid by the Company to Michael Byrne upon the exercise of each of the Additional Options has been capped at an aggregate \$200,000. Upon exercising two of the Additional Options, the Company will not be required to make cash payments to Michael Byrne in respect of exercising subsequent Additional Options.

Pursuant to the Byrne Agreement, the Company may purchase the NSR held by Byrne pursuant to the Option Agreements, by issuing Common Shares to Byrne at market price at the time of such purchase.

In consideration for entering into the Byrne Agreement, the Company has authorized the granting of options to acquire 500,000 Common Shares at a price of \$0.10 per share to Michael Byrne. The granting of these options is subject to the Company listing its Common Shares on the Exchange. The options will have an exercise period of five years from the date on which the Company's shares are listed on the Exchange.

Trends

There are no current trends in the Company's business that are likely to impact on the Company's performance.

NARRATIVE DESCRIPTION OF THE BUSINESS

Stated Business Objectives

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of mineral resource properties. The Company's properties are in the exploration stage. The Company intends to expend existing working capital and net proceeds raised from the Offering to pay the balance of the estimated costs of the Offering, to carry out the planned geophysical and drilling program on the Taseko Property, to pay for administrative costs for the next twelve months and for working capital. The Company will continue to assess new mineral properties in British Columbia and elsewhere and will seek to acquire interests in additional properties if the Company feels they have sufficient potential and if the Company has adequate financial resources to complete such acquisitions.

Mineral claims in British Columbia may be kept in good standing by incurring exploration expenses or by paying cash in lieu of such expenditures. One hundred dollars (\$100) per claim unit per year is required on or before the first, second and third anniversaries of the date claims are staked. For subsequent years, an expenditure of two hundred (\$200) dollars per claim unit is required. Expenditures in excess of the minimum annual requirement may be applied as a credit in favour of the claim holder for up to 10 years and applied against expenditure requirements in subsequent years.

Exploration regulations generally require a claim holder to submit a "Notice of Work and Reclamation" at least 30 days prior to commencing work on a mineral claim. For certain types of work, (usually involving excavations) a reclamation bond may also be required prior to the commencement of such work.

The ownership of all minerals located on Provincial lands in British Columbia is retained by the Crown in right of the Province of British Columbia. Valid mineral claims in British Columbia entitle the claim holder to "claim" those minerals on a claim on his/her own behalf. The interest of a claim holder in a claim is a chattel interest and is not an interest in the land underlying the claim. A claim holder may only exercise his/her mineral rights in respect of a claim in accordance with applicable legislation. In general, such legislation sets out the manner in which the exploration and development of minerals on Provincial Crown lands may be carried out by claim holders.

Native land claims in British Columbia are ongoing. It is not possible to determine when local land claim issues will be settled. There is a set procedure for notification and dialogue, part of which is acknowledged by the work permitting regulations. As mineral property development proceeds it is incumbent on the claim holder/developer to enter into discussions with all of the impacted peoples of the area. In British Columbia and other Canadian provinces, this has resulted in the formation of "socio-

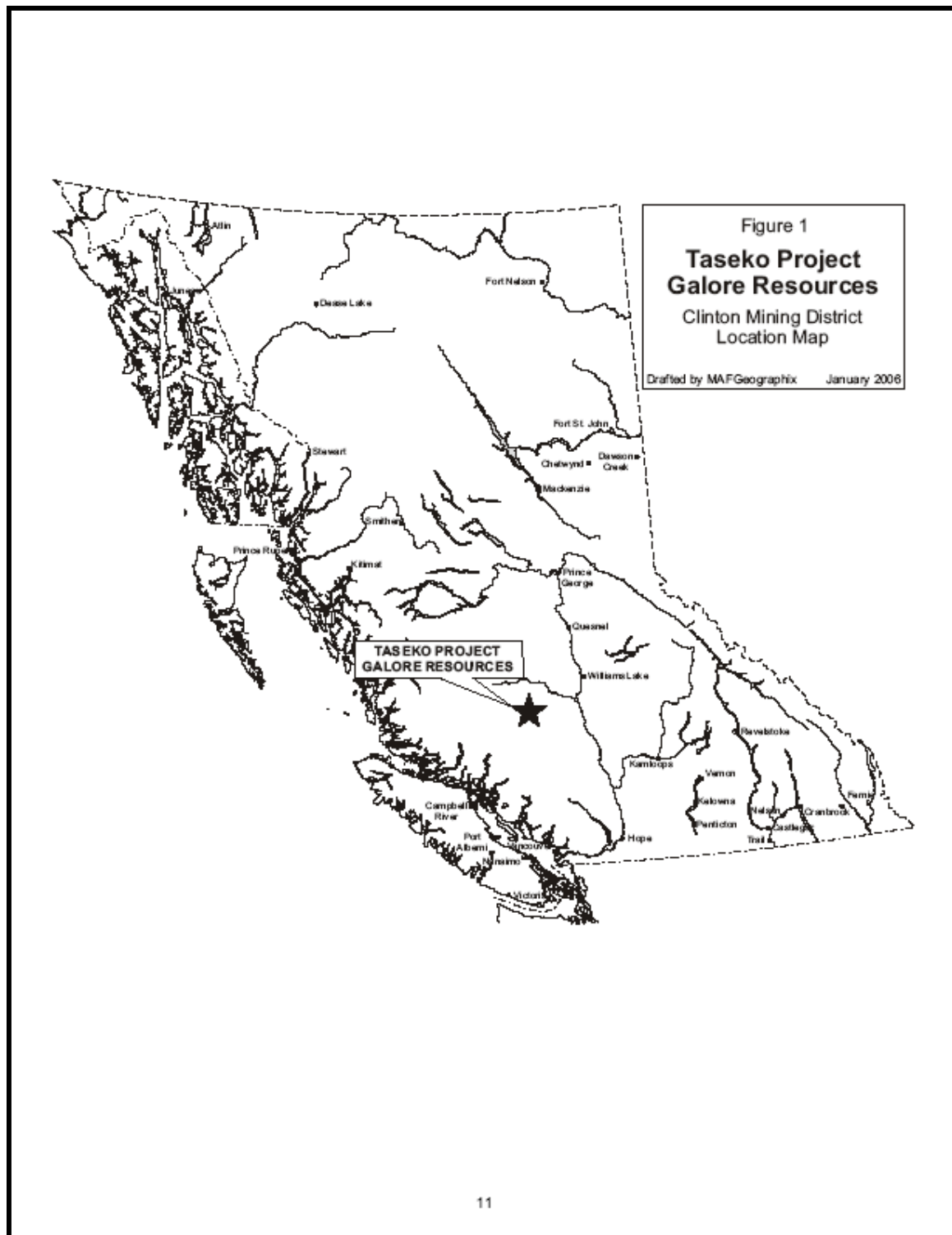
economic contracts” with First Nations groups. Such contracts have in most cases, resulted in the cooperative development of the specific natural resource property being developed.

Property Description and Location

The following is a summary of the Schau Report and has been included in this Prospectus with the consent of Schau. During the period of the Offering, a copy of the Schau Report can be obtained at the head office of the Company at 506-595 Howe Street, Vancouver, British Columbia and may be examined during normal business hours. The Schau Report is expected to be made available under the Company’s profile on the SEDAR Website at www.sedar.com.

(a) Area and Location

The Taseko Property is located in the Clinton Mining Division, British Columbia, within the eastern margin of the Coast Mountains of southern British Columbia and is centered near 51° 07' North latitude, 123° 35' West longitude in NTS 920 3E & 4W. The total area of the Taseko Property is approximately 48,698 hectares. The Taseko Property is located approximately 150 kilometres southeast of the city of Williams Lake. See Figure 1.



(b) Nature and Extent of Company's Title

The Taseko Property is comprised of the Taseko Claims and the Galore Claims. The Taseko Claims consist of six contiguous mineral properties comprised of an aggregate 85 mineral claims. The six properties are identified in Figure 2. The six mineral properties comprising the Taseko Property are:

1. Northwest Copper Property;
2. Charlie – Hub Property;
3. Magic-Twin Property;
4. Fortune Property;
5. Spokane Property; and
6. Battlement Property

The Taylor-Windfall Mine consists of the mineral rights underlying three Crown Granted mineral claims located within the boundaries of the Battlement Property. See “Significant Acquisitions and Dispositions”.

The Galore Claims consist of 45 contiguous mineral claims. The Company staked the Galore Claims over the period commencing in November 2004 through December 2005 and the Company holds a 100% interest in and to these claims. The Galore Claims are not subject to any third party ownership or royalty interests and are adjacent to the Taseko Claims.

A large geographic area, including the Taseko Property is the covered as part of the ongoing land claim process of the Esketemc First Nation. The Esketemc Statement of Intent was filed with the British Columbia Treaty Commission on December 15, 1993. A treaty framework agreement between the Esketemc and the Province of British Columbia was completed on December 10, 1997. To the best of Schau’s knowledge, no further progress has been made toward the settling of this land claim.

(c) Royalties, Agreements and Encumbrances

The royalties and the agreements applicable to all six mineral properties comprising the Taseko Claims are described under the heading “Significant Acquisitions and Dispositions”. The Company is not aware of any encumbrances to which all or any part of the Taseko Claims or the Galore Claims are subject.

(d) Environmental Liabilities

Neither the Company or Schau are aware of any environmental liabilities in respect of all or any part of the Taseko Property. However, the western boundary of the Taseko Property in part adjoins the eastern boundary of Ts’yl-os Provincial Park. The eastern boundary of the Taseko Property adjoins the Big Creek Provincial Park and the Spruce Lake Protected Area. Environmental assessments were made as part of the Chilko Lake Planning Area Process and a report (Sopuck, et. al.,1997) states that the riparian corridors are sensitive, especially small poplar groves in river valleys.

(e) Location of Mineralization

The Taseko Property and adjacent areas are underlain by granitic intrusive rocks of the Coast Range intrusive complex, by volcanic and metasedimentary rocks within the Gambier Arc to the west and the Tyaughton Trough to the east. A transverse fault system, the Tchaikazan Fault and sub-parallel faults, the Twin Creek-Pellaire Ridge faults and the Chita faults, cuts through the Taseko Property. Intense alteration zones locally bound some fault zones.

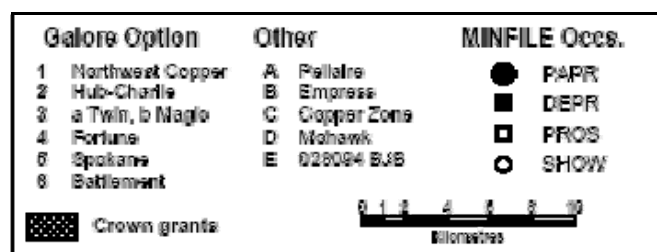


Figure 2
GAFORE RESOURCES
TASEKO PROJECT
Location of Option Blocks

NAD-88 - BC Albers projection

Cartography by
NMF Geographics

January 2008

The combination of the above geological features suggest that mineral deposit models ranging from Cu-Mo porphyry style deposits transitional into high and low sulphidation epithermal deposits are applicable. It is also possible that iron-oxide copper gold models may be applicable as well.

(f) Permits

Prior to performing any surface or subsurface exploration work on the Taseko Property, a “Notice of Work and Reclamation” application must be filed with and a corresponding permit issued by the Inspector of Mines, British Columbia Ministry of Energy, Mines and Petroleum Resources. Permits to conduct physical work, such as road maintenance and upgrading must be acquired and, these permits have yet to be obtained.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Taseko Property is accessible by road and by air. Road access is from Williams Lake on Highway 97, on the Bella Coola road to Hanceville and on the Nemiah-Taseko road to the bridge crossing the Taseko River. Local roads provide access to the Falls River and Tchaikazan River valleys. Unused dirt roads in poor repair provide possible access to the eastern part of the Taseko Property along the Taseko River Valley. Several local dirt airstrips of unknown status are located within the Taseko Property boundaries.

Williams Lake is the major infrastructure center in the area and is located approximately 150 kilometres north-east of the Taseko Property. Supplies, truck service and scheduled air, rail and ground transportation are available in Williams Lake. Helicopter services from Williams Lake and the town of Pemberton are also available.

Environment Canada climate data indicates that the Williams Lake area receives an average of 450 mm of precipitation annually. Approximately 40% of annual precipitation occurs as snow during the period November through April. Temperatures range from summer highs of 15° C to winter lows of -9° C. The most practical exploration period is from late May through early November.

Williams Lake, with its forestry and mining based economy can supply all materials and labour for exploration and mine development. Williams Lake is serviced by paved Government maintained highways. It is also on a main rail line and is serviced by high capacity electrical transmission lines capable of supplying a large mining and milling facility. Lakes and rivers in the district have the capacity to supply large volumes of fresh process water. The availability of sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas and processing plant sites are matters to be considered later in the exploration cycle.

The climate in the region usually consists of cold winters and snow in the spring which precludes ground exploration activity during these periods. The weather in the summer and late fall generally allows for field work.

Elevations on the Taseko Property ranges up to 2,700 metres and relief ranges up to 1,200 metres. Valleys are forested below elevations of 2,100 metres with permanent patchy snow and ice fields at higher elevations. Vegetation is dominated by cedar, fir and spruce trees below 2,100 metres and alpine shrubs, grasses and mosses above the tree line.

History - Prior Ownership and Results of Exploration Work Ownership

A series of exploration companies since 1946 have conducted exploration programs over or adjacent to the current Taseko Property. Other than the 2005 work as discussed below under “Exploration Work”, no verification of historical data has been undertaken by Schau. Exploration procedures and laboratories

utilized for sample analyses in previous exploration are believed to have been industry standard for the time and historic analytical results are assumed to be reliable.

The following is a summary of historic exploration activities on the Taseko Property and adjacent areas:

Northwest Copper Property

In 1999, International Jaguar Equities Inc. carried out a 188 line kilometer airborne electromagnetic and magnetic survey over portions of what is now the Northwest Copper Property. In 2000, International Jaguar Equities Inc. drilled an aggregate 660.7 metres in three drill holes. The best result was a 1.4 metre intersection of 0.28% Cu.

Charlie – Hub Property

In 1946, H.V. Warren carried out a prospecting and rock sampling program over a portion of what is now the Charlie area of the Charlie – Hub Property. A 75 metre mineralized vein was chip sampled. The highest value was 25.9 g/t Au over 6 centimetres (Ricker and Burton, 1988).

In 1988, Golden Pick Resources Ltd. completed a program of prospecting, chip sampling and geological evaluation. The work was largely a review and re-sampling of Warren's results from 1946.

Work on the area now comprising the Hub area of the Charlie-Hub Property was commenced in 1966 by Falconbridge. During 1966 and 1967, Falconbridge completed a geochemical soil sampling survey, a trenching program and a drilling program. An aggregate 381.3 metres was drilled in 8 holes. The best drill intersections assayed 0.69 % Cu over 1.52 metres and 0.44 % Mo over 0.17 metres (Charteris, 1967)

In 1971, Rio Tinto completed a soil sampling program and identified a Cu-Mo soil anomaly north of the Tchaikazan River (Troup and Petersen, 1971). An IP and magnetic geophysical survey was also completed in 1971 and a 1,300 metre diameter geophysical anomaly was identified on the Hub area of the property (Fominoff and Petersen, 1971).

During 1972 and 1973, Rio Tinto completed a total of 14 drill holes (Rio Tinto, 1972). The total metreage and the results of this drilling was not available to Schau.

In 1983, Suncor carried out a rock and soil sampling program, completed an IP survey and drilled an aggregate 1,536.8 metres in 8 drill holes. Neither the drill logs or the drill core were available to Schau. Reliance is placed on quotes taken from other reports regarding the Suncor drill results (Hawkins, 1983).

In 1998, Pellaire Gold Mines Limited completed a regional rock, soil and stream sediment sampling program over an area that included part of the Charlie-Hub Property west of the Charlie mineral occurrence. Two stream sediment samples west of the Charlie occurrence containing 26,500 and 3,630 ppm Cu were the most significant results obtained (Smith, 1998 and 1999).

Magic-Twin Property

The Twin – Magic Property was first worked by Sumitomo Metal Mining Canada Ltd. in 1970. Initial work was focused on the Magic area of the property and adjacent areas not forming part of the Taseko Property. A 145 line kilometre IP geophysical survey was completed and identified an IP anomaly. About one-third of the work extended onto ground now forming part of the Twin – Magic Property, to the western limit of surveying (Yokayama, 1970).

In 1986, Esso Minerals Canada Limited carried out geochemical and geophysical sampling and surveys on two separate portions of the Magic area of the property. The most significant result was a soil sample containing 1,430 ppb Au (Melnik and Britten, 1986 and 1987).

In 1990, Canmark International Resources Inc. carried out a rock sampling program. Sample from quartz veins returned assay values of up to 47.5 g/t Au and 113 g/t Ag over 0.1 metre. Six other samples returned values of greater than 1 ppm Au (Hepp and Falk, 1990).

Fortune Property

No previous work covering areas now comprising the Fortune Property has been reported.

Spokane Property

Regional exploration efforts have covered parts of the Spokane Property including assessments by Canmark International (Hepp and Falk 1990). Exploration guides to mineralization in the area has been most recently discussed in Simandl et al (1998) and geological setting by Schiarizzia et al (1997).

Battlement Property

The only historical mineral resource and mineral reserve estimates for the Taseko Property are those related to the Taylor-Windfall mine, a former gold producer for which there is no current estimate of any ore remaining in the ground. E.J. Taylor first discovered gold in eluvium on the bank of Battlement Creek in 1920. Underground work, based mainly on two veins at the 1648 metre level of the mine yielded 555 tonnes of ore between 1932 and 1953. The bulk of the ore, some 454 tonnes was mined in 1935. Total metals production was 14,525 grams of gold and 156 grams of silver (Lane, 1983, 1985 and 1986).

In 1981, Utah Mines Ltd. completed a rock and stream sediment sampling survey. As anomalies in stream sediments were reported (Deighton, 1981).

In 1986 Esso Minerals Canada Limited completed a drilling program. As complete records were not available to Schau, confirmation of the total number of holes and metres drilled is unclear. Records for two holes totaling 434.9 metres were available. The most significant drill intersection produced assay values of 27.8 g/t Ag, but the width of the interval is unknown (Melnik and Britten, 1987).

In 1991, Westmin Resources Limited drilled an aggregate 442.4 metres in two holes. The best drill intersection consisted of 0.12% C over 1.8 metres.

Geological Setting

Regional Geology

The Taseko Property straddles the eastern margin of the Intermontane Super-Terrane to the east and the Coast Range plutonic complex and older gneissic rocks to the west. The Taseko Property and adjacent area is underlain by granitic intrusives of the Coast Range intrusive of Cretaceous to possibly Tertiary age and by volcanics and metasediments of Jurassic to Cretaceous age.

A transverse fault system, the Tchaikazan Fault and sub-parallel faults, cuts through the Taseko Property and is locally bounded by intense alteration zones. It is believed that a crustal scale orogen parallel fault has been active for up to 70 million years within the Taseko Property. Plutons have been emplaced (104-75 Ma) in ground tectonically prepared for a long time prior to emplacement (as early as 130 Ma).

The reactivation and reversal of direction of movement of crustal-scale faults like the Tchaikazan Fault is conducive to deep and extensive intrusion, alteration and mineralization. Mineral deposit models that describe Cu-Mo porphyry and epithermal Au deposits are clearly applicable in this region.

The setting of the Taseko Property at the eastern edge of the Coast Range Mountains, is in a well known commercial mineral producing zone. Copper mineralized deposits such as at Poison Mountain, sixty kilometers east of the Taseko Property and the Fish Lake deposit, thirty-five kilometres north of the Taseko Property are located adjacent to the crustal scale Yalakom fault system (which includes the Tchaikazan Fault). In addition, the most productive gold camp in British Columbia at Bralorne, is located on the southeastern projection of this fault system. See Figure 3.

Regional Surveys

In 1992, British Columbia Ministry of Energy, Mines and Resources performed regional scale geochemical stream sediment sampling in the region. The area now comprising the Taseko Property falls within the boundaries of this stream sediment survey.

In 1995, the GSC performed high resolution regional airborne magnetic surveys over an area, the boundaries of which include the area now comprising the Taseko Property. The nominal flight line spacing of the survey was one kilometer.

Local Geology

The Tchaikazan Fault separates a volcanic dominated succession of Lower Cretaceous rocks to the southwest from predominantly sedimentary rocks of the Tyaughton-Methow basin to the northeast. The Cretaceous volcanic rocks are part of the Eastern Waddington thrust belt. The Late Cretaceous Powell Creek Formation is found on both sides of the fault. Newly recognized Permo-Triassic (251 ± 16 Ma) or older rocks of the Twin Creek succession, at the southeast end of the belt indicates considerable vertical movement and deep extent on some local faults.

Property Geology

The geology on the Taseko Property consists of Upper Cretaceous granodiorite, unconformably overlain by Upper Cretaceous lapilli and ash tuffs, sandstones, conglomerates and shales. On the northwest end of the Taseko Property, an Upper Cretaceous to Paleocene hornblende-feldspar porphyry has intruded the tuffaceous units. See Figures 5, 6 and 7.

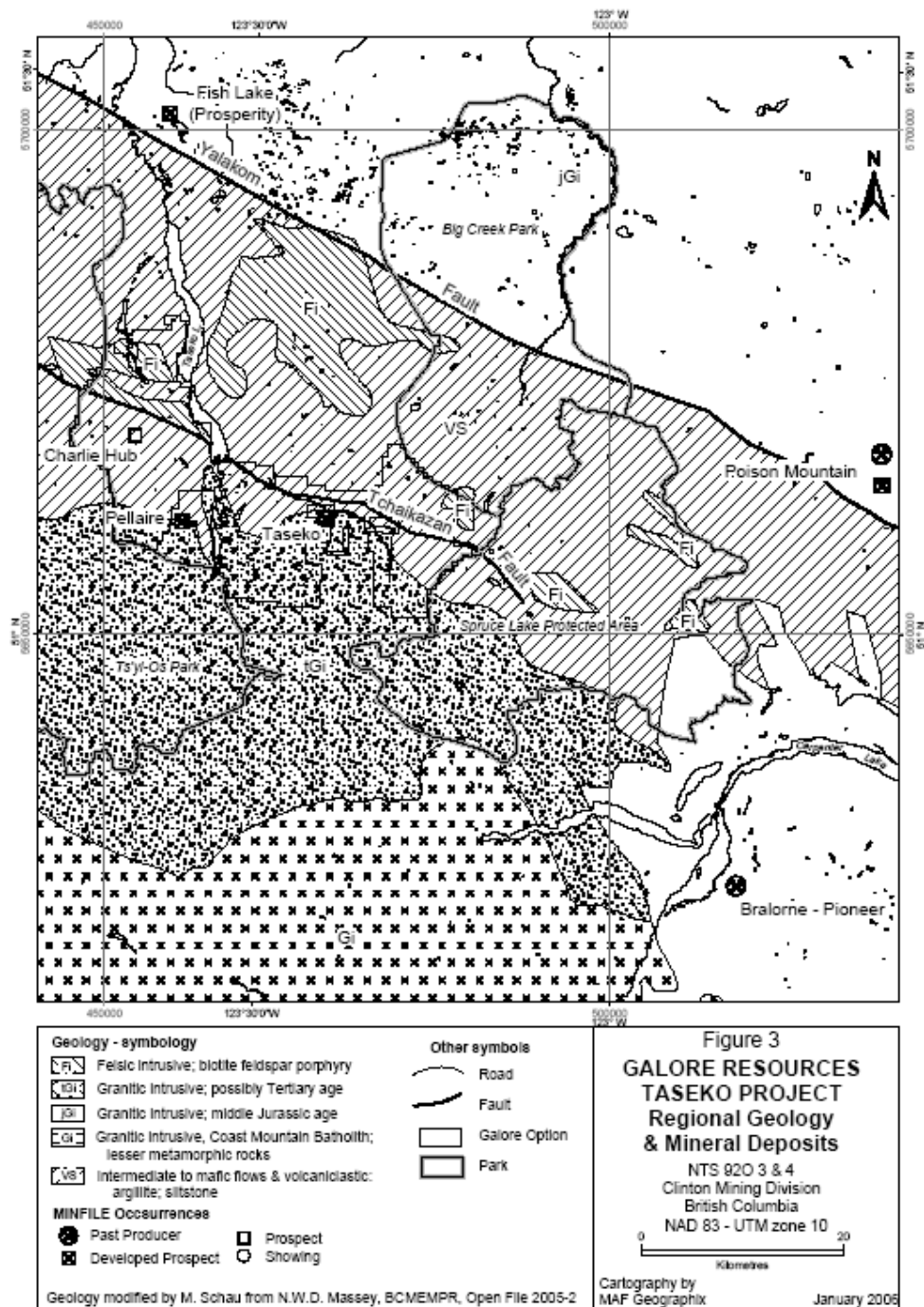
Exploration Work

The Company carried out a limited orientation survey during the summer and fall of 2005. Four small geophysical orientation surveys of an aggregate 62.4 line kilometers and a geochemical sampling survey were also completed. A small integration survey of geological, geochemical and geophysical features was conducted mainly in the area of the Hub and Charlie showings. Small local geophysical surveys were also conducted on the Northwest Copper and Magic-Twin properties.

Ground Based Geophysical Surveys

Northwest Copper Property

The 2005 ground geophysical program on the Northwest Copper Property consisted of a small 4.0 line kilometer survey. Results exhibited a good correlation with the 1995 regional airborne geophysical data



(GSC, 1995). The 2005 ground data suggested that narrow magnetic sources with well defined edges are present within the low magnetic response areas.

Charlie-Hub Property

The Hub East and West Grids

The 2005 Hub East and Hub West geophysical survey consisted of an aggregate 36.1 line kilometers. The 2005 survey grids were mainly underlain by subtle magnetic responses (between 55,000 and 55,500 nTs) with increased responses on the southern part of the survey area. A second magnetic response was detected as a prominent northwesterly striking band about 75 metres wide. Smaller localized magnetic features elsewhere on the Hub grids are believed to be reflections of faults or other narrow geological features.

The strongest indication of electro-magnetic conductivity on the Hub grids was at the northeastern end, broadly coincident with the low magnetic response. The conductivity is likely a response to the Tchaikazan River or related fault zone.

Charlie Grid

The 2005 work in this area consisted of an 18.5 line kilometer geophysical grid. Similar to the Hub grids, the Charlie grid is also largely underlain by a subtle magnetic signature. The low magnetic response lineations are believed to represent faults. VLF-EM data is very weak and coincides with surface drainage features.

Magic-Twin Property

In 2005, a 3.8 line kilometre geophysical survey was completed over part of the Twin area of the Magic – Twin Property. The survey was carried out in the area of the Twin Creek mineral occurrence. Due to the steepness of the terrain in the area, the 2005 data was difficult to interpret and of limited value.

Geochemical Surveys

The quality of the historic geochemical data has been deemed acceptable by Schau. An estimate of the reliability of the historical data was provided through the 2005 re-sampling of the Hub grid. In addition, several very closely spaced samples were taken in 2005 to test the lateral continuity of historic soil sample results.

Integrative Geology

Data collected by Schau on site visits to the Northwest Copper and Charlie-Hub Properties provided a more precise association of rock type and characteristic with the results from the 2005 geophysical and geochemical surveys. Direct exploration of outcrop and magnetic field studies was used to identify the cause of near surface magnetic anomalies.

Rock Geochemistry

Charlie – Hub Property

A chip sample across 6 metres of quartz vein stockwork material yielded 410 ppm Mo and 1894 ppm Cu. An adjacent sample selected over 0.5 metres of contact between breccia and porphyry returned 2000+ ppm Mo and 5801 ppm Cu.

Eighty metres to the north, one centimetre wide, irregular magnetite veins with minor sulphides cut the breccia and host diorite. A sample from a decimetre thick selvage to a quartz vein in this area returned

470 ppm Mo and 535 ppm Cu. These new assays generally confirm the earlier results, although the Company sampled different sites.

New bedrock samples and assays confirm the presence of molybdenite enrichment along selvages of quartz veins and the general enrichment in silicified breccia and quartz vein stockworks. A thin vein sample hosted in the feldspar porphyry returned a mesothermal set of trace elements suggesting a link with the overlying Charlie occurrence.

The geochemical work suggests that exploration work (such as trenching) needs to focus north of the Tchaikazan River, by the road intersections, where bedrock sampling within reach and soils known to be anomalous. More soil geochemistry work will be necessary to delimit the anomalous area and to estimate the tenor.

Historical rock geochemistry data from the Charlie-Hub Property was essentially reproduced by the Company's 2005 data. A previously assayed section of the Hub showing outcrop was re-sampled in 2005 and the historic geochemical results were reproduced within acceptable degrees of accuracy.

Deposit Types

The geological setting underlying the Taseko Property as outlined above is one in which a certain suite of mineral deposit models may exist. Based on the BCGS mineral deposit model guide, the Taseko Property has the potential to host the following mineral deposit types from greater depth to more shallow depth:

1. Cu-Mo porphyry;
2. Subvolcanic Cu-Au-Ag (As-Sb);
3. High sulphidation vein deposits;
4. Low sulphidation vein deposits; and
5. Fumarole and hot spring deposits.

Other models may also apply, such as the IOCG model.

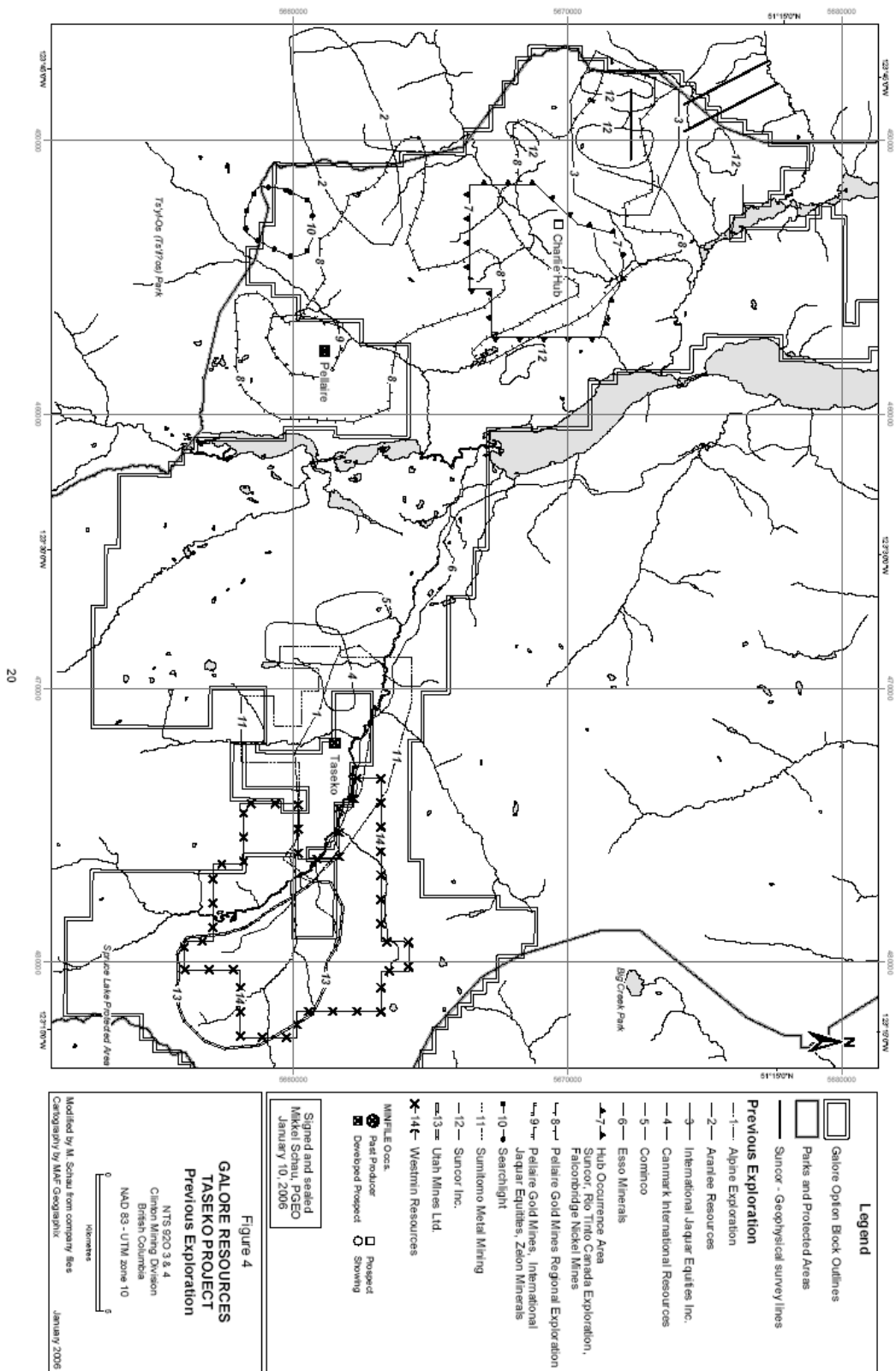
The BCGS mineral deposit model guide is available at the Government of British Columbia Website at www.em.gov.bc.ca/Mining/Geosurv/MetallicMinerals/MineralDeposits.

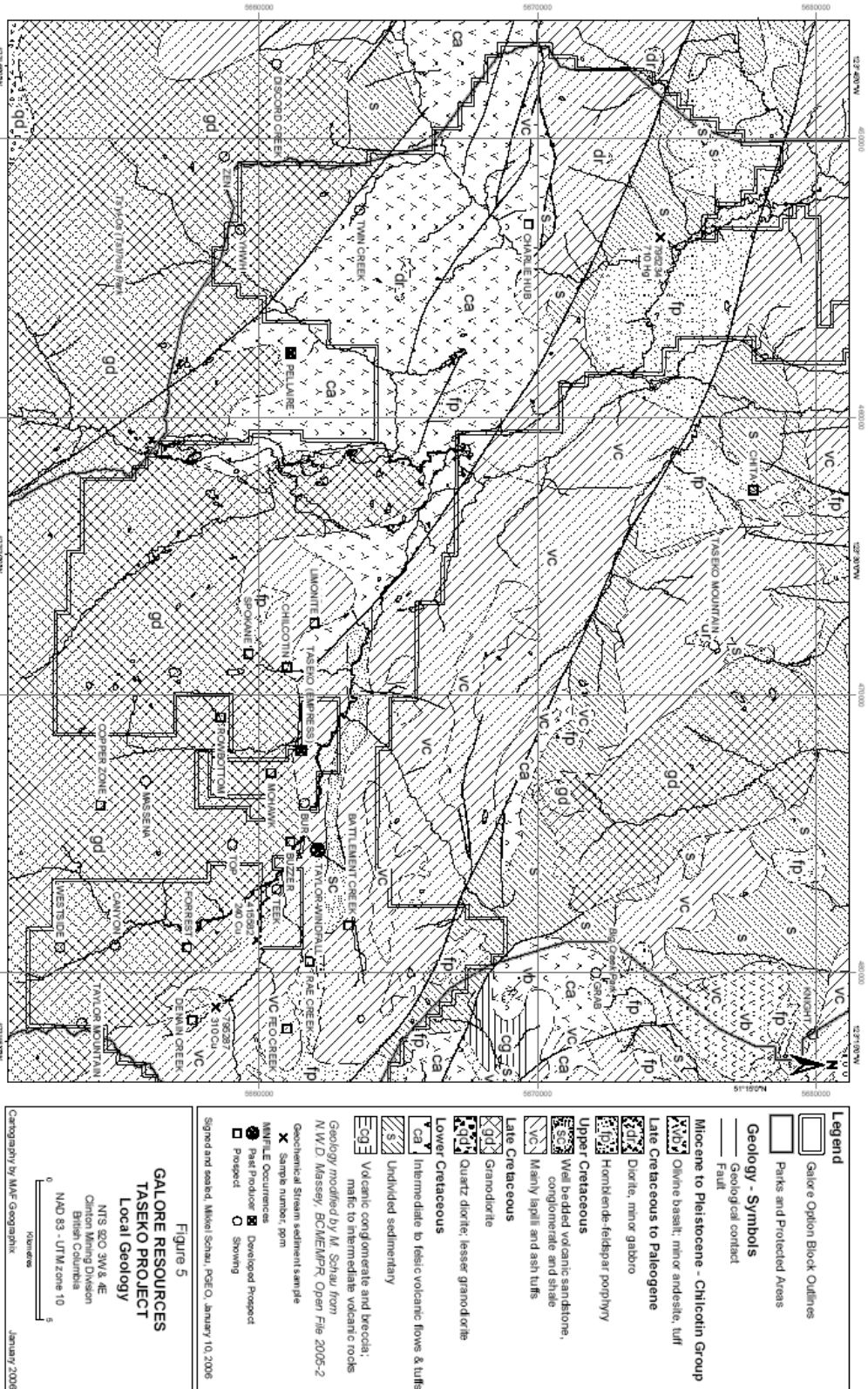
Mineralization

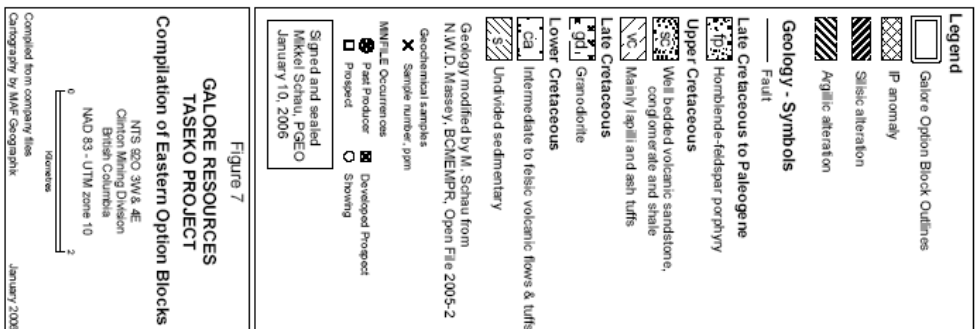
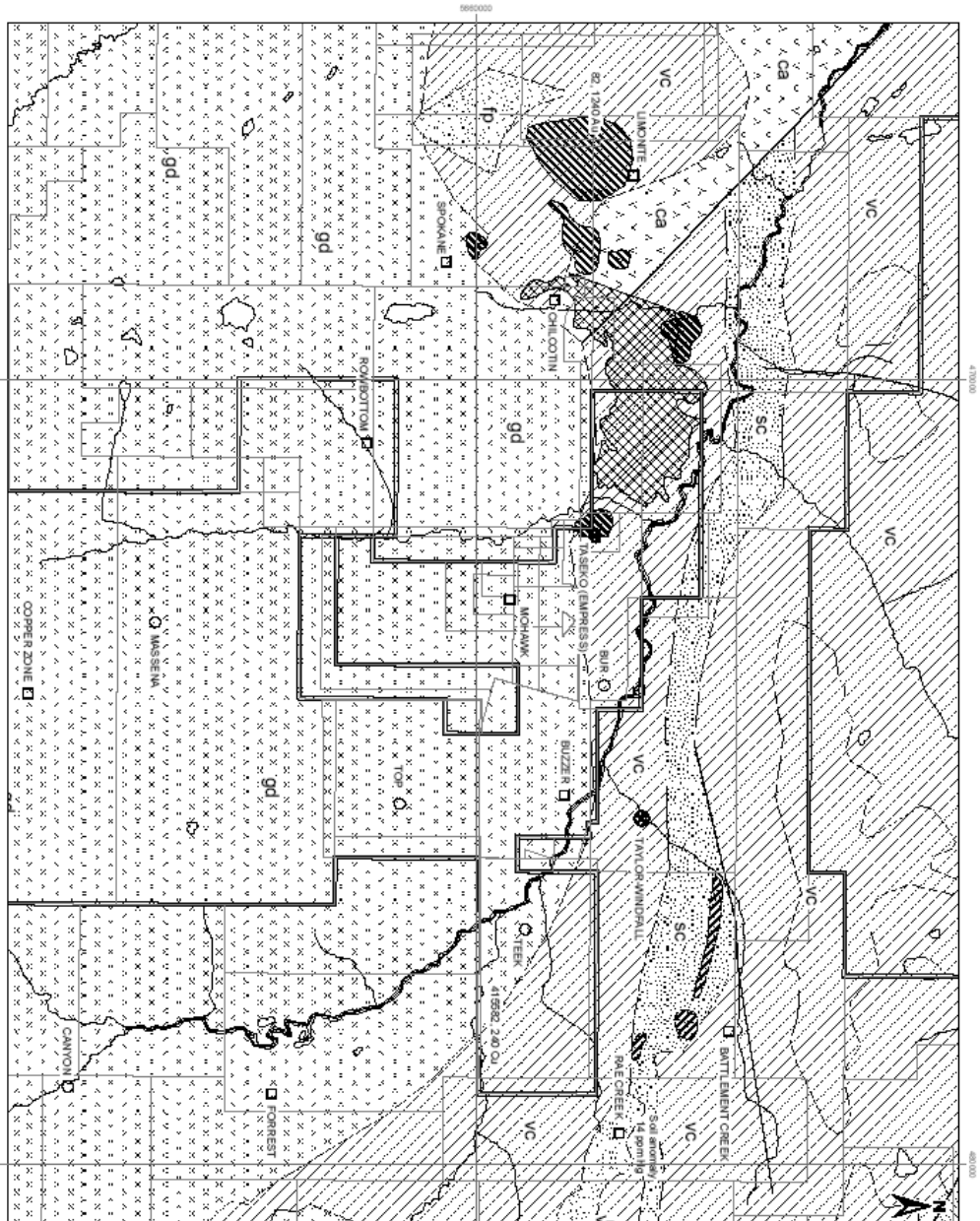
Mineral occurrences and deposits within and adjacent to the Taseko Property are shown in Figure 4. Significant rock sample results are discussed below.

Northwest Copper Property

Within the Northwest Copper Property, chalcopyrite, malachite and azurite mineralization exists within quartz veins, silicified and carbonate altered rock within local felsic intrusive dykes and volcanic rock over an area of 2,200 metres by 1,700 metres. Schau has seen selected samples contained up to 1.22 per cent copper and 376 grams per tonne silver said to come from property, a selected sample (Smith et. al., 1998) returned 50 ppb Au, 176 ppm Ag, and 3.09 % copper from a float fragment of altered intrusive, and 60 ppb Au, 1 ppm Ag, and 1.22 % Cu from malachite coated fracture. A sample from the Crater showing returned 10 ppb Au, 18.6 ppm Ag, and 4.09% Cu (Smith, 2000). A selected sample 600 metres north-easterly from the Northwest Copper area contained 1.97 grams per tonne gold, (Smith, 2000).







Within the Northwest Copper area, is a semicircular magnetic anomaly defined by the 5,700 nano-Tesla contour with a diameter of about 1,500 metres. The anomaly has a magnetic relief of about 2,400 nano-Tesla (McConnell, 1999). The magnetic anomaly is closely coincident with the area containing several mineral occurrences.

Charlie – Hub Property

At the Charlie claims, gold bearing quartz veins and sulphidic zones exist within an area of 300 by 350 metres. Mineralisation includes hessite and tetrahedrite. Chip samples contained up to 22.18 g/t Au over 0.12 metres.

At the Charlie – Hub Property chalcopyrite, molybdenite and pyrite mineralization exists within veinlets, disseminations and on fractures within felsic dykes, intermediate volcanic rocks and granodiorite (MacDougall, 1967; Charteris, 1967; Hawkins, 1981, 1983; and McLaren, 1990). This mineralization is associated with argillic alteration, fracturing, clay gouge and possibly intrusive breccia and is located on the north side of the Tchaikazan River.

Magic-Twin Property

The Twin Creek showing consists of silicified and quartz-carbonate altered fractures within volcanic tuffs and sedimentary rocks close to the contact with granitic rocks of the Coast Range Mountains. Smith et. al. (1998) reported values of 260 ppb Au, greater than 100 ppm Ag and 0.07 % Cu from quartz stringers in the Twin Creek area. Realgar and orpiment exist within a silicified north north-westerly striking zone. Rock chip samples contained up to 8500 ppm Hg, 0.4 % As and 0.26 ppm Au (Lennan, 1988; Smith, 1988).

The north-westerly striking Twin Creek Fault extends through the area. It is believed to be a companion fault to the Tchaikazan Fault. At the southern edge of the Magic – Twin Property, the YHWH showing in Coast Range batholith contains pyrite, chalcopyrite and molybdenite in a 3 by 160 metre north-west trending shear zone.

Various parts of the Magic portion of the Magic-Twin Property are underlain by (i) felsic to intermediate tuffs and volcanic flow rocks of the Taylor River Group; (ii) chert pebble conglomerate, sandstone and mafic volcanic rocks of the Silver Quick Formation; (iii) granodiorite and quartz monzonite of the Coast Mountain batholith; and (iv) feldspar and hornblende porphyritic felsic to intermediate intrusives of Tertiary aged.

Four soil geochemistry anomalies exist within the Magic – Twin Property. Au content is up to 0.94 g/t (Melnyk and Britten, 1986 and 1987). Two of these soil anomalies are closely associated with areas of argillic alteration and within a geophysical IP anomaly.

Fortune Property

To date, no in situ mineralization has been identified on the Fortune Property. One stream sediment sample highly anomalous in Mo was collected at the south-western edge of a small lake close to the trace of the Tchaikazan Fault which cuts the option block in a south-easterly direction.

Spokane Property

The Spokane Property is largely located to the southwest of the Tchaikazan Fault. The northern portion of the option block is underlain by rocks of the Taylor Creek Group with the southern portions underlain by

the lower units in the Powell Creek Group. Both the Taylor Creek and the Powell Creek Groups host the Dickson McClure batholith.

The Spokane occurrence (Minfile 092O-004), consists of pyrite and chalcopyrite exist within fractured granodiorite over an area of 125 metres by 160 metres. A drill hole intersection contained 2.51% Cu over four metres. Au mineralization exist within quartz veins and chalcopyrite and pyrite mineralized granodiorite; chip samples contained up to 47.31 g/t over 0.1 metre (Hepp and Falk, 1990).

The Tchaikazan Fault is apparently terminated by the Dickson McClure batholith, although some evidence exists that suggests that the fault moved after the pluton had consolidated. This is partly shown by widespread alteration zone that affects the northern edges of the pluton and shows steep dips, contrasting to the gently northward dipping beds. Rocks of the Taylor Creek Group are extensively altered by clay, pyrophyllite, silica and pyrite, (Osborne & Allen, 1998) and grade from distal, advanced argillic to phyllic and locally propylitic alteration nearest the fault. The so called Syndicate showings are located in the alteration zone, within an IP anomaly at the eastern edge of the Option Block.

The area between the Spokane and the Battlement Properties contains the Empress, the Buzzer and other smaller showings. The eastern area north of the plutons is noticeably underlain by a large widespread and colourful alteration zone which is spatially associated with the long-lived regional orogen parallel Tchaikazan Fault, and the northernmost edge of large plutons of the Coast Range Intrusive complex. The host rocks to the northeast of the fault are mainly the Powell Creek formation consisting of felsic volcanogenic rock types and seemingly of the same age as the dated Dickson McClure pluton and dated mineralization (Schiarrizza et al., 1997). The alteration zone would seem to follow the Powell Creek ml unit which is up to 2500 m of easily lapilli and ash tuffs and other tuffs breccias and flows. It is to be noted that Recent bog iron deposits are found near this unit, presumably where iron from deeply weathered pyrite rich horizons have been redeposited.

Battlement Property

Three areas with silicified and sulphidic altered tuff and porphyry exist over a strike length of 2,600 metres. The strike of the altered zones is easterly and the dip is southerly (Lambert, 1991; Lane, 1983, 1985; Melnyk & Britten, 1987). Bedding in the area generally dips shallowly to the north. A geochemical soil anomaly containing up to 14 ppm Hg exists 1300 metres of the eastern extent of the silicified and sulphidic zone (Lane, 1986).

One of these altered areas is the location of the Taylor-Windfall mine, a past gold producing operation (Minfile 092O-028). The Taylor-Windfall polymetallic vein is on the southeast side of Battlement Creek 1 kilometre above its junction with Taseko River within well developed alteration zones and set in dacitic and andesitic tuffs, various volcaniclastic rocks and volcanic breccias of the Upper Cretaceous Powell Creek Formation. Most of the tuffaceous and vitric andesites are propylitically altered and silicified.

Early mining exploited easily worked surface accumulations. Subsequent underground exploration outlined two veins of interest: (i) a tourmaline-rich vein; and (ii) a sulphide-rich vein. The tourmaline vein is 10 to 20 centimetres wide and pinches, swells and bifurcates along a strike length of at least 100 metres. It consists of tourmaline, chlorite, pyrite, tennantite, sphalerite and chalcopyrite, with lesser galena, tetradymite, native Au and enargite.

The main sulphide vein was 20 centimetres wide with a strike length of 20 metres but is now mostly mined out. The sulphide vein mineralogy is similar to that of the tourmaline vein but contains a greater proportion of sphalerite and tennantite and also contains coarse siderite. Vein introduction was accompanied by a high temperature hydrothermal event which resulted in the formation of corundum, andalusite and quartz.

Retrograde reactions are responsible for chloritization of tourmaline and alteration of most of the aluminosilicate minerals to sericite. Subsequent advanced argillic alteration is marked by large volumes of sericite altered to an assemblage of mainly kaolinite and dickite with lesser amounts of alunite, dumortierite, diaspore and gibbsite.

In the south-east area of the Battlement Property, three showings (Mountain, Westside and Canyon) collectively referred to as the Mad Major showings consist of pyrite, chalcopyrite and locally molybdenite on fracture planes with quartz veins and as disseminations within chlorite-epidote altered locally carbonated biotite, hornblende quartz diorite. Historical assay from the Mountain showing range up to 2% Cu with trace Ag and Au.

Drilling

Drilling carried out by various previous operators on or adjacent to the six claim blocks comprising the Taseko Property are set out under “History - Prior Ownership and Results of Exploration Work Ownership”.

Galore Resources has not undertaken any drilling on the Taseko Property to date.

Sampling, Analyses and Security of Samples

Geophysical Data

SJ Geophysics Ltd. and SJV Consultants Ltd. of Delta, British Columbia conducted the 2005 magnetic and VLF-EM surveys. Two GEM systems GSM-19 instruments were used to record magnetic and VLF-EM measurements at 5, 10, or 20 metre increments along the survey lines. Total magnetic field intensity measurements were recorded and corrected for diurnal variations by time synchronization to a magnetic base station. VLF-EM measurements were recorded at each station on the various survey grids.

Geochemical Data

Soil Samples

A geochemical soil sampling program was carried out by the Company, re-sampling in greater detail an old 1980-1983 grid was undertaken in 2005. The area divided into two, Hub west (700 metres by 500 metres) and east (750 metres by 250 metres). Over 500 metres, 50 samples with lines 25 metres apart and after 5 lines, 250 samples over an area 100 metres wide and 500 metres long, giving a density of a sample one sample per 200 square metres. Soil sampling was carried out by a 2-3 men team at 10 metre intervals using a pick and trowel for the A2-B2 soil horizon (below roots level) and 5 foot auger for peat-swamp covered area. Each location is flagged and marked with a station number and sample number.

Each location was flagged and marked with a station and sample number. All geochemical samples were collected under the supervision of the Vice President of Exploration of the Company.

Rock Samples

Rock samples collected in 2005 were largely grab samples. Several chip samples were also collected. All samples were selected as examples of the observed mineralization type.

Sample Analyses

All soil and rock samples were submitted for analysis to ACME, an ISO 9001-2000 accredited laboratory located in Vancouver, British Columbia. Several different modes of analysis were employed to analyze the 2005 samples. Soil samples were analysed using the ICP-MS method.

One set of 2005 rock samples were analysed using the ICP-ES and MS methods. A second set of 2005 rock samples were analysed using the ICP-ES and Fire Assay methods.

No obvious discrepancies were noted in the results from the different analytical methods.

Sample Security

Rocks to be assayed were collected as single samples some several kg in size. Assay samples were shipped south to ACME Labs via a helicopter to Pemberton and thence by private car to Vancouver, and delivered to the lab. Schau believes that the sampling, sample preparation, security of samples in transit to analytical labs and analytical procedures were adequate for the orientation surveys. For production runs an efficient means of closing sample bags (using plastic closures) is recommended. Regular back shipments are suggested and a standard analytical procedure for all samples be arranged with the laboratory. Geophysical measurements should be carried out on better located and constrained grids.

Data Verification

The samples collected and assayed as part of the 2005 work program were collected to confirm the previously reported results from work in the Taseko Property area. The results from samples collected by the Company during the 2005 work program were similar to the results from previous work and that gives Schau confidence in the results.

Mineral Resources and Mineral Reserves

Exploration work to date on the Taseko Property has not advanced to the stage which would permit the calculation of a resource or a mineral reserve. In addition, as an exploration stage property, no metallurgical, environmental or socio-economic studies or developmental permitting have been undertaken to date.

Adjacent Properties

There are three significant exploration properties within 40 kilometres of the Taseko Property. The Company holds no interest in any of these properties.

The Pellaire property is located several kilometers south of the Charlie-Hub Property and is a poly-metallic gold vein which carries hessite as the main economic material and which is associated with faulting near an intrusive contact. The Pellaire project is much further progressed than the Charlie prospect and although the geological comparisons exist, no relevant resource comparisons can be made.

The Taseko Empress property is located immediately adjacent to the eastern boundary of the Spokane Property. The Taseko Empress property is a gold prospect in alteration zones associated with the Tchaikazan Fault.

The Fish Lake property is located approximately 25 kilometres north of the Fortune Property. The Fish Lake property is a Cu porphyry prospect and is situated north of the Yalakom Fault.

All three of the Pellaire, Taseko Empress and Fish Lake properties are more advanced exploration projects than the Taseko Property. Historical mineral resource estimates for these three projects do not

comply with National Instrument 43-101 requirements and are not discussed in the Schau Report or this Prospectus.

Exploration and Development

The 2005 field program focused largely on the western portion of the Taseko Property. The presence of altered igneous breccias and variable alteration from potassic and phyllic (at Hub) to argillic alteration (at Northwest Copper), with geophysical and geochemical anomalies is very encouraging. Given the regional and local geology, exploration strategies based on features associated with the mineral deposit models ranging from deeper porphyry copper types, through subvolcanic deposits to shallower epithermal types seem reasonable. The possibility of iron-oxide copper gold accumulations are also possible.

The association of regional faulting, igneous intrusions, similar aged overlying volcanic rocks and widespread alteration zones indicate that a number of mineral deposit types are possible on the Taseko Property. It is also possible that later deformation zones along the same regional faults are viable large-scale mineralized targets.

The 2005 field surveys were in the form of orientation surveys. The ground geophysics results suggest that ground magnetic and VLF-EM surveys helped delineated regions of interest in all four areas in which they were carried out. The 2005 surveys indicate that there is a lot of interior variation in the geophysical anomalies. This observation is significant as mineralization is thought to be related to the Tchaikazan Fault and often shows up in the geophysical survey results as enhanced VLF-EM conductors and magnetic low anomalies.

The geochemical survey at the Charlie – Hub Property was a more careful sampling program of a anomalous zone identified by previous operators. The 2005 results suggest that if done properly, meaningful variations in assay results from heterogeneous host material can be obtained. A previously identified local copper anomaly was confirmed and expanded through the work done in 2005.

At the Hub area of the Charlie – Hub Property, the new assays generally confirm the earlier results, although they sample different sites.

The 2005 field program was a successful orientation survey, intended to test the efficacy of the exploration methodologies being used. The program was not intended to be a geographically comprehensive survey and there are areas within the Taseko Property that have been subject to very little, if any exploration work to date.

Schau concluded that the 2005 field orientation surveys indicates that the chosen methodologies can and do result in usable exploration data. Schau further concluded that the Taseko Property has very high mineral potential based on generally favourable geologic relationships, presence of abundant mineralized showings, widespread alteration zones, a prior history of mining and the near proximity of very large prospects and mines.

Recommendations

The Taseko Property is prospective for bulk tonnage disseminated epithermal gold deposits, possibly of high and low sulphidation types, associated with altered volcanic units and granitic intrusions as well as porphyry style copper and molybdenum deposits and possibly iron oxide breccia-hosted type copper, as well as gold and silver deposits associated with felsic intrusions.

The Company intends to work collaboratively with the Department of Earth and Ocean Sciences at UBC and MDRU by sponsoring students whose research will focus on the deposit types that may be hosted on the Taseko Property.

A general budget has been developed subject to a number of caveats. The budget does not include taxes, dues, permit fees and assessment registration fees. The 15% contingency is designed to fund possible fuel price increases.

The budget is as follows:

Hub:

Preliminary infrastructure, road, survey, trenching, blasting, sampling, assays and drill pads	\$100,000
4000 feet (30 days) of drilling on current anomalies	\$140,000
Geology, petrography, sampling and core assays	\$80,000
Ground geophysics and sampling	\$90,000

Charlie/Northwest Copper

Grids, Helicopter, geological evaluation and sampling	\$180,000
---	-----------

Northwest Copper/Spokane Battlement Ridge alteration zone

Airborne magnetic, electrical and radiometric survey along part of Tchaikazan Valley and Taseko River	\$200,000
---	-----------

Taylor-Windfall

Road, survey, trenching, sampling assays, blasting and drill pads	\$110,000
3000 feet (20 days) drilling on current anomalies	\$105,000
Geology, petrography, sampling and core assays	\$60,000
Ground geophysics and sampling	\$70,000

Spokane Area

Grids, sampling, geological, geophysical evaluation	\$110,000
Roads, trenching, drill pads and assays	\$140,000
3000 feet (20 days) drilling	\$105,000

General

Follow up on airborne anomalies expected to be found in Battlement and Fortune properties, grids, sampling, ground geophysics, geological evaluation, mark select drill targets	\$200,000
---	-----------

15% Contingency	\$250,000
TOTAL EXPLORATION BUDGET	\$1,940,000

USE OF PROCEEDS

Funds Available

The Company will receive aggregate net proceeds of \$2,760,000 from the Offering (assuming no exercise of the Over-Allotment Option and no election by the Agent of receive Agent's Commission Units). These funds will be combined with the Company's working capital of approximately \$50,000 as at June 30, 2006 for a total of \$2,810,000 in available funds upon completion of the Offering.

Principal Purposes

The principal purposes for which the funds available to the Company upon completion of the Offering will be used are as follows:

(a)	To pay the balance of the estimated remaining costs of the Offering (including legal, audit, printing expenses and Corporate Finance Fee, assuming that the Agent does not elect to receive any Corporate Finance Units)	\$112,000
(b)	2006 Exploration Budget for the Taseko Property	\$1,940,000 ⁽¹⁾
(c)	Property payments through 2006	\$28,000 ⁽²⁾
(d)	To provide funding sufficient to meet administrative costs for 12 months	\$341,100
(e)	Unallocated working capital	\$388,900
	Total:	\$2,810,000

(1) See table in preceding section under heading "Exploration and Development" for a summary of the work to be undertaken and a breakdown of the estimated costs.

(2) This figure represents aggregate property payments in respect of the Charlie-Hub, Spokane, Fortune, Battlement and Magic-Twin Properties, all due on or before July 21, 2006. The 2006 payment in respect of the Northwest Copper Property was made prior to May 30, 2006.

The General and Administration expenses for the 12-month period following the date of this Prospectus as follows:

Category	Average Monthly Total	12-Month Total
Rent and shared costs ^[1]	\$2,000	\$24,000
Chairman's fee ^[2]	\$1,000	\$12,000
President's fee ^[3]	\$8,916	\$107,000
Corporate Communication fee ^[4]	\$1,750	\$21,000
Lawyers	\$1,500	\$18,000
Auditors	\$1,875	\$22,500
Promotion	\$5,733	\$68,800
Office staff & supplies	\$2,000	\$24,000
Bookkeeping/compliance	\$1,500	\$18,000
Travel	\$500	\$6,000
Transfer agent fees	\$400	\$4,800
Miscellaneous	\$1,250	\$15,000

Total:	\$28,424	\$341,100
--------	----------	-----------

[1] Paid to a firm controlled by Michael Byrne, a director and officer of the Company pursuant to a sublease of office space and for office services;

[2] Currently \$3,000 per month, to be reduced to \$1,000 per month on October 1, 2006 with payments terminating on December 31, 2006.

[3] Please refer to the Byrne Management Agreement under the heading "Termination of Employment, Changes in Responsibility and Employment Contracts" on page 66 below.

[4] Please refer to the Torresan Management Agreement under the heading "Termination of Employment, Changes in Responsibility and Employment Contracts" on page 66 below and is based upon management's estimates upon termination of the Torresan Agreement.

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Any proceeds received from exercise of the Over-Allotment Option will be used to provide general working capital to fund ongoing operations.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Annual Financial Information

The following table sets forth summary financial information for the Company for the year ended March 31, 2006 and the period from incorporation (November 12, 2004) to March 31, 2005. This information has been summarized from the Company's audited financial statements for the year ended March 31, 2006 and the period from incorporation to March 31, 2005. This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

	Year ended March 31, 2006 (audited)	Period from Incorporation to March 31, 2005 (audited)
Revenues	\$0	\$0
Interest Income	\$0	\$0
Write-off of Unproven Mineral Interests	\$0	\$0
Administrative Expenses	\$247,195	\$29,611
Loss for the period	\$(148,714)	\$(39,984)
Deficit (end of period)	\$(188,698)	\$(39,984)
Loss per share (basic and diluted)	\$(0.02)	\$(0.01)
Current Assets	\$109,646	\$94,439
Unproven Mineral Interests	\$861,342	\$91,940
Total Assets	\$1,068,361	\$186,754
Total Liabilities	\$157,566	\$27,417
Long Term Debt	\$0	\$0
Shareholders Equity	\$910,795	\$159,337
Cash Dividends per Share	\$0	\$0

Quarterly Information

Prior to the date of this Prospectus the Company was not a reporting issuer. Accordingly, the Company was not required to prepare quarterly financial statements for any period since incorporation.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares to date. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion (the "MD&A"), prepared as of the date of this Prospectus, is management's assessment and analysis of the results and financial condition of the Company and should be read in conjunction with the audited financial statements for the period ended March 31, 2006 and related notes attached thereto included with this prospectus. The preparation of financial data is in accordance with Canadian accepted accounting principles and all figures are reported in Canadian dollars unless otherwise indicated.

Description of Business

The Company was incorporated in British Columbia on November 12, 2004 under the name of TRW Resources Inc. The company changed its name in 2005 to Galore Resources Inc. The Company's intent is to have its common shares trading on the Exchange as soon as practically possible.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this MD&A and elsewhere constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

READERS ARE CAUTIONED not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under Risk and Uncertainties in the MD&A.

Risks and Uncertainties

The Company is subject to a number of significant risks due to the nature and the present stage of its business (See Risk Factors on page 69).

The Taseko Claims

The most significant acquisitions by the Company since incorporation are the acquisition of options to acquire 100% interests in the six properties comprising the Taseko Claims. The six option agreements are referred to as: (i) the Battlement Agreement; (ii) the Charlie-Hub Agreement; (iii) the Fortune Agreement; (iv) the Magic-Twin Agreement; (v) the Northwest Copper Agreement; and (vi) the Spokane Agreement. All six option agreements were amended pursuant to the Byrne Agreement and all six option agreements and the Byrne Agreement are referred to collectively herein as the “Option Agreements”. Each option agreement as amended by the Byrne Agreement is described in more detail under “Significant Acquisitions and Dispositions”. For additional information related to each specific property, see “Narrative Description of the Business”.

The six Option Agreements give the Company full and exclusive right and authority to access the Taseko Claims for the purpose of carrying out mineral exploration and development work. The Option Agreements are an option only and the Company may terminate it at any time by providing written notice of such termination. If the Company terminates any of the Option Agreements, it shall not be obligated to incur further exploration expenditures on the property underlying that Option Agreement. On termination, the Company will be required to make all cash payments and share issuances due and owing at the time the notice of termination is received by the optionor and will be required to issue any shares due to be issued prior to the next anniversary date of that Option Agreement.

The Taylor-Windfall Mine

The Company holds a 100% interest in the Taylor-Windfall Mine, being the mineral rights underlying three Crown granted mineral claims located within the boundaries of the Battlement Claims. The Taylor-Windfall Mine was purchased by the Company for \$15,000 pursuant to terms of an April 12, 2005 agreement with J.D. Graham & Associates Ltd. of Chemainus, British Columbia. The Company holds a 100% interest in the Taylor-Windfall Mine, but does not own the surface rights to the overlying lands. Surface ownership is held by the Province of British Columbia.

The Galore Claims

The Galore Claims consist of 45 mineral claims contiguous to the Taseko Claims. The Company staked the Galore Claims over the period commencing in November 2004 through December 2005 and the Company holds a 100% interest in and to these claims. The Galore Claims are not subject to any third party ownership or royalty interests and are adjacent to the Taseko Claims.

The Taseko Claims, the Taylor-Windfall Mine and the Galore Claims all form one large contiguous block of claims.

Exploration

From the date of incorporation on November 12, 2004 until March 31, 2006, the Company performed exploration work on the properties in the 2005 field season. As the Company was incorporated on November 12, 2004, it had incurred very limited expenditures by the period ended March 31, 2005. The 2005 exploration program consisted of a number of local geophysical orientation surveys, a geochemical sampling survey and a small integration survey of geological, geochemical, and geophysical features which was conducted mainly in the area of Charlie-Hub Property. Small local geophysical surveys were also conducted on the Northwest Copper Property and the Magic-Twin Property. The geophysical resources were carried out by SJ Geophysics and full reports were produced. The 2005 field program focused on the western portion of the Charlie-Hub Property.

The following table summarizes the exploration expenditures incurred for the fiscal periods ending March 31, 2005 and March 31, 2006:

	Northwest		Charlie-Hub	Spokane	Fortune	Battlement	Magic Twin	Taylor Windfall	Total
	Copper								
Opening balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition costs	8,333	8,333	8,333	8,333	8,333	8,333	8,335	-	50,000
Option payments	10,000	-	5,000	-	3,000	-	-	-	18,000
Assessment costs	14,300	2,760	-	5,260	1,220	-	-	-	23,540
Geophysics	400	-	-	-	-	-	-	-	400
Balance, March 31, 2005	33,033	11,093	13,333	13,593	12,553	8,335	-	-	91,940
Acquisition costs	130,000	100,000	40,000	40,000	10,000	30,000	15,000	-	365,000
Option payments	-	10,000	-	5,000	-	5,000	-	-	20,000
Assessment costs	51,571	16,653	1,057	1,057	11,682	2,337	-	-	84,357
Geophysics	30,061	130,574	-	-	625	8,095	-	-	169,355
Geological	3,707	14,254	-	-	17,391	-	-	-	35,352
Geochemistry	3,643	47,860	-	18,350	-	-	-	-	69,853
Travel	-	25,485	-	-	-	-	-	-	25,485
Balance, March 31, 2006	218,982	344,826	41,057	64,407	39,698	45,432	-	-	769,402
	\$ 252,015	\$ 355,919	\$ 54,390	\$ 78,000	\$ 52,251	\$ 53,767	\$ 15,000	\$	\$ 861,342

Results of Operations

The Company was incorporated on November 12, 2004 and had limited operations in the fiscal period ending March 31, 2005. During the first 5 months of operations the Company was focused on raising capital, formalizing the property option agreements and planning the Company's 2005 exploration program.

For the fiscal year ended March 31, 2006 the Company incurred a loss before income taxes of \$278,610, compared to a loss before income taxes of \$50,664 for the period from incorporation on November 12, 2004 to March 31, 2005, as a result of incurring various general and administrative expenses of \$247,195 (\$29,611 – March 31, 2005) and non capitalized exploration expenses of \$31,415 (\$21,053 - March 31, 2005).

The general and administrative expenses for the fiscal year ended March 31, 2006 and comparatively for the fiscal period ended March 31, 2005 consist primarily of management fees of \$101,750 (\$3,000 – March 31, 2005); consulting fees mainly for a corporate secretary of \$12,309 (Nil – March 31, 2005); corporate development of \$24,719 (Nil – March 31, 2005); office and related expenses of \$35,656 for the rent of the Company's new office, secretarial services and consulting (\$1,465 – March 31, 2005) professional fees of \$37,617 (\$22,489 – March 31, 2005); shareholder communications of \$9,016 (\$2,283 – March 31, 2005); and telephone and utilities of \$15,961 (Nil – March 31, 2005).

Liquidity and Capital Resources

The Company has financed its operations through the issuance of securities. In the fiscal year ended March 31, 2006 the Company raised \$868,000 through private placements compared with \$10,000 for the fiscal year ended March 31, 2005. Cash as of March 31, 2006 was \$86,844 compared to \$88,399 as of March 31, 2005.

The Company's mineral property expenditures were \$378,672 for the fiscal year ended March 31, 2006 compared to \$33,971 for the fiscal period ended March 31, 2005. The increase is due to the Company's

limited exploration activity in the period from incorporation on November 12, 2004 to March 31, 2005. The 2005 summer work program was primarily incurred during the fiscal year ended March 31, 2006.

Net cash used in operating activities for the fiscal year ended March 31, 2006 was \$247,770 compared with \$36,882 for the fiscal period ended March 31, 2005. The increase was due to the fact that the fiscal year ended March 31, 2006 was the Company's first full year of operations.

The Company had a working capital deficiency of \$14,488 for the fiscal year ended March 31, 2006 compared to working capital of \$67,022 as of March 31, 2005.

In June 2006 the Company completed a brokered private placement of 1,500,000 units at \$0.30 per unit consisting of one common share of the Company and one half of one share purchase warrant. Each full warrant is exercisable into one common share at a price of \$0.45. The private placement generated gross proceeds of \$450,000 before commissions and costs. The purpose of the private placement was to begin funding of the 2006 field season on the Taseko Property and general working capital.

The Company's existing cash is sufficient to satisfy its working capital and near term requirements. However, the Company will need to successfully complete the Offering to complete the proposed 2006 exploration program and to fund ongoing operations. There is no assurance that the Offering will be completed and adequate funding will be available as required by the Company.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Outlook

For the coming year, the Company's priorities are to complete its Initial Public Offering, become a listed company on the Exchange and to complete its proposed 2006 exploration program. The Company is proposing a comprehensive 2006 exploration program including airborne geophysics, soil and rock sampling, trenching and a total of approximately 10,000 feet of drilling. In addition, the Company will be assisting and supporting a structural and economic geological study of portions of the Taseko Property in collaboration with the University of British Columbia.

The Company will review the results of the 2006 exploration program to determine whether the options on the properties should be retained and whether a further exploration program is warranted.

Related Party Transactions

During the year ended March 31, 2006, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$90,750 (2005 - \$3,000) to directors and officers or companies controlled by the directors;
- b) Paid or accrued a management bonus of \$20,000 (Nil – 2005) to a director;
- c) Paid or accrued rent of \$15,500 (Nil – 2005)) to a company controlled by Michael Byrne, a director and officer of the Company; and
- d) Paid or accrued geophysical consulting fees of \$25,000 (2005 - \$Nil) to companies controlled by a director which have been recorded in mineral property costs.

Included in accounts payable as at March 31, 2006 is \$46,700 (\$7,969 – 2005) due to companies controlled by a director.

Effective March 1 and June 23, 2006 respectively, the Company entered into the Torresan Management Agreement and the Byrne Management Agreement both described under the heading “Termination of Employment, Changes in Responsibility and Employment Contracts” herein.

The Company entered into the six Option Agreements with directors of the Company or companies controlled by directors or their affiliates. The specific details of each of these agreements are detailed under “Significant Acquisitions and Dispositions”.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

Common Shares

The authorized share capital of the Company consists of 100,000,000 Common Shares without par value. As of the date of this Prospectus, 13,885,001 Common Shares were issued and outstanding as fully paid and non-assessable shares. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board of Directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Units

Under this Offering the Company will be issuing Units comprised of one Common Share and one-half of one Warrant.

Warrants

Each Warrant entitles the holder to acquire a Warrant Share for \$0.50 for a period of 12 months from the Closing Date. The holding of a Warrant will not constitute the holder thereof a shareholder of the Company, nor will it entitle the holder to any rights or interests as a shareholder or to receive notice of any meetings of shareholders except upon the exercise of a Warrant in accordance with its terms. The Warrants will contain provisions to the effect that, in the event of any change in the number of Common Shares or any reclassification of the Common Shares into other shares, or if the Company shall pay a stock dividend upon its outstanding Common Shares, or in the case of a consolidation, amalgamation or merger of the Company with or into another company, or any other capital reorganization of the Company not covered by the foregoing or any sale of the properties and assets of the Company as (or substantially as) an entirety to any other company, adjustments will be made in the number of Common Shares to which the holder would be entitled to receive on any exercise of the Warrants and the exercise price thereof.

CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Company's capitalization since March 31, 2006 and after giving effect to the Offering.

Description	Authorized March 31, 2006	Authorized At the date of this Prospectus	Outstanding as at March 31, 2006 (Audited)	Outstanding at the date of this Prospectus (unaudited)	Outstanding after giving effect to the Offering (Unaudited) ^{(1) (2)(3)}
Common Shares	100,000,000	100,000,000	11,800,001	13,885,001	21,385,001 ⁽⁴⁾⁽⁵⁾
Warrants	N/A	N/A	3,500,000 ⁽⁶⁾	4,250,000 ⁽⁶⁾⁽⁷⁾	8,000,000 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾
Stock Options	10% of issued & outstanding shares at the time of the grant	10% of issued & outstanding shares at the time of the grant	Nil	Nil	1,650,000
Long Term Debt	N/A	Nil	Nil	Nil	Nil

Notes:

- (1) This does not include up to 345,000 Agent's Commission Shares or up to 37,500 Corporate Finance Shares to be issued to the Agent at Closing if the Agent elects to accept Agent's Commission Units and Corporate Finance Units in partial consideration of the Agent's Commission and the Corporate Finance Fee.
- (2) This does not include any shares issuable on exercise of the Agent's Option. This also does not include any Agent's Commission Warrant Shares or Corporate Finance Warrant Shares if the Agent elects to accept Agent's Commission Units and Corporate Finance Units in partial consideration of the Agent's Commission and the Corporate Finance Fee respectively and subsequently elects to exercise some or all of the Agent's Commission Warrants and the Corporate Finance Warrants. See "Plan of Distribution"
- (3) This does not include the 3,750,000 Warrant Shares which will be issued upon exercise of the Warrants issued as part of the Units, the Over-Allotment Warrant Shares. See "Plan of Distribution".
- (4) This does not include the 1,125,000 Over-Allotment Shares which will be issued if the Over-Allotment Option is exercised in full. See "Plan of Distribution"
- (5) Does not include 1,650,000 Common Shares reserved for issuance upon the exercise of outstanding options. See "Options to Purchase Securities".
- (6) Includes:

Number of Warrants	Exercise Price	Expiry Date
40,000	\$0.60	Later of one year from listing date or two years from closing, but no later than December 31, 2007
150,000	\$0.60	Later of one year from listing or two years from closing
1,320,000	\$0.40	Later of one year from listing or two years from closing but no later than December 31, 2007
300,000	\$0.40	Later of one year from listing or two years from closing
50,000	\$0.40	April 29, 2007
200,000	\$0.40	June 3, 2007
100,000	\$0.40	July 25, 2007
200,000	\$0.40	July 25, 2007
275,000	\$0.40	August 30, 2007
865,000	\$0.40	September 23, 2007

(7) Includes:

Number of Warrants	Exercise Price	Expiry Date
398,750	\$0.45	Later of 12 months from listing date and August 18, 2007
351,250	\$0.45	Later of 12 months from listing date and September 7, 2007
Total: 750,000		

Does not include 132,040 agent's options issued in connection with the Company's brokered private placements which closed in May and June 2006. These agent's options are exercisable at \$0.30 for a period of 24 months from the date of issuance and entitle the Agent to acquire one Common Share and one half of one share purchase warrant. 55,615 of these agent's options entitle the Agent, upon exercise of the option, to receive warrants exercisable into 27,808 Common Shares at a price of \$0.45 until the later of September 7, 2007 or 12 months from the date on which the Company's Common Shares are listed on the Exchange. 76,425 of these agent's options entitle the Agent, upon exercise of the option, to receive warrants exercisable into 38,212 Common Shares at a price of \$0.45 until the later of August 18, 2007 or 12 months from the date on which the Company's Common Shares are listed on the Exchange.

- (8) Includes 3,750,000 Warrants entitling the holder to purchase one additional common share at \$0.50 for a period ending on the date which is twelve months from the closing of the Offering.
- (9) Does not include 1,125, 000 Over-Allotment Warrants, the Agent's Option, the Agent's Commission Warrants or the Corporate Finance Warrants..

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

All of the options as summarized below have been authorized contingent upon the Company obtaining a listing on the Exchange:

Group	No. of Options	Securities Under Option	Grant Date	Expiry Date	Exercise Price per Common Share	Market Value of Common Shares on Grant Date	Market Value of Common Shares as at the date of this prospectus
Michael Byrne	500,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.10	N/A	N/A
Michael Byrne	500,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
William Coulter	150,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
William Bird	100,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for	\$0.40	N/A	N/A

Group	No. of Options	Securities Under Option	Grant Date	Expiry Date	Exercise Price per Common Share	Market Value of Common Shares on Grant Date	Market Value of Common Shares as at the date of this prospectus
				trading on the Exchange.			
Tex C. Enemark	100,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
John Hajek	100,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
Ray Torresan	150,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
Lynne Grier	25,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
Ray Torresan Jr.	25,000	Common Shares	Listing Date	Five years from the date that the Company's common shares are listed for trading on the Exchange.	\$0.40	N/A	N/A
TOTAL:	1,650,000						

All of the options listed in the table above were authorized pursuant to the Plan subject to the completion of the Offering. The Plan was adopted by the Company's Board of Directors on May 25, 2006. The purpose of the Plan is to advance the interests of the Company and its stockholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its Common Shares. The Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance under the Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options authorized by the Company to date). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company unless the Company has obtained disinterested shareholder approval. The number of Common Shares which may be reserved in any 12 month period for issuance to any one employee or consultant engaged in investor relations activities may not exceed 2% of the issued and outstanding Common shares of the Company. The Plan provides that options issued to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period.

The Plan will be administered by the Board of Directors of the Company, which will have full and final authority with respect to the granting of all options thereunder. Options may be authorized under the Plan to such directors, officers, employees or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. Options may also be authorized to employees of management companies providing management services to the Company. The exercise price of any options authorized under the Plan shall be determined by the Board of Directors, but may not be less than the market price of the Company's shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any options authorized under the Plan shall be determined by the Board of Directors at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death, the term of any options authorized under the Plan may not exceed five years (ten years if the Company becomes a Tier 1 Issuer under Exchange policies). If desired by the Board, options authorized under the Plan may be subject to vesting. Options authorized under the Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options authorized to such director or officer under the Plan will expire 90 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, consultant or management company employee ceases to act in that capacity in relation to the Company, options authorized to such employee, consultant or management company employee under the Plan will expire 90 days after such individual or entity ceases to act in that capacity in relation to the Company. Options authorized to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options authorized under the Plan expire one year from the date of the death of the option holder.

PRIOR SALES

The following table summarizes the sales of common shares of the Company within the 12 months prior to the date of this Prospectus.

Date	Price per Security	Number of Securities	Reason for Issuance
July 22, 2005	\$0.01 (deemed)	500,000	Property Payment
July 22, 2005	\$0.01 (deemed)	200,000	Property Payment
July 22, 2005	\$0.01 (deemed)	200,000	Property Payment
July 22, 2005	\$0.01 (deemed)	50,000	Property Payment
July 22, 2005	\$0.01 (deemed)	150,000	Property Payment
October 14, 2005	\$0.20	50,000	Private Placement
Oct 15, 2005	\$0.20	1,440,000	Private Placement
Oct 15, 2005	\$0.25	1,320,000	Private Placement
May 18, 2006	\$0.30	797,500	Private Placement
May 24, 2006	\$0.01 (deemed)	650,000	Property Payment
June 7, 2006	\$0.30	702,500	Private Placement
TOTAL		6,160,000	

ESCROWED SHARES

In accordance with NP 46-201, all common shares of an issuer owned or controlled by its principals will be escrowed at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an “exempt issuer”, an “established issuer” or an “emerging issuer”.

Uniform terms of automatic timed-release escrow apply to principals of exchange-listed issuers, differing only according to the classification of the issuer. As the Company will be classified as an “emerging issuer” by virtue of being listed on Tier 2 of the Exchange, the following automatic timed releases will apply to the securities held by its principals:

On the Listing Date	1/10 of the escrow securities
6 months after the listing date	1/6 of the remaining escrow securities
12 months after the listing date	1/5 of the remaining escrow securities
18 months after the listing date	1/4 of the remaining escrow securities
24 months after the listing date	1/3 of the remaining escrow securities
30 months after the listing date	1/2 of the remaining escrow securities
36 months after the listing date	The remaining escrow securities

Assuming there are no changes to the escrow securities initially deposited and no additional escrow securities are deposited, this will result in a 10% release on the Listing Date, with the remaining escrow securities being released in 15% tranches every 6 months thereafter.

The automatic time release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each principal's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If, within 18 months of the Listing Date, the Company meets the "established issuer" criteria, as set out in NP 46-201, the escrow securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario, that number of escrow securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrow securities would be released in accordance with the time release provisions for established issuers, with all escrow securities being released 18 months from the Listing Date.

The following securities of the Company are held by, and are subject to the terms of the Escrow Agreement:

Name	Designation of Class of Security	Number of Common Shares held in Escrow	Percentage of Issued Shares at the date of this Prospectus	Percentage of Issued Shares on Completion of the Offering
Michael Byrne	Common Shares	2,478,001 ^[1]	17.85%	11.59%
William Coulter	Common Shares	100,000	0.72%	0.47%
William Bird	Common Shares	100,000	0.72%	0.47%
Tex C. Enemark	Common Shares	107,000	0.78%	0.50%
John Hajek	Common Shares	3,328,000 ^[2]	23.97%	15.56%
Ray Torresan	Common Shares	350,000	2.52%	1.64%
Total		6,463,001	46.55%	30.22%

^[1]This figure does not include the 500,000 common shares underlying an option to purchase that number of shares at \$0.10 for a period of five years from the date on which the Company's Common Shares are listed on the Exchange. The Company has authorized the granting of these stock options but has not yet granted them to Michael Byrne. If these stock options are granted and exercised, the Common Shares underlying the stock option will be subject to escrow.

^[2]This figure represents: (i) 1,040,000 Common Shares held by Valor Mines Inc.; (ii) 1,860,000 Common Shares held by Zelon Enterprises Ltd.; and (iii) 428,000 Common Shares held by Valor Resources Ltd. All of the aforementioned companies are controlled by John Hajek.

Pursuant to the terms of the Escrow Agreement, the securities of the Company held in escrow may be transferred within escrow, subject to the approval of the Company's Board of Directors to:

- (a) an individual who is a director or senior officer of the Company or of a material operating subsidiary of the Company;
- (b) a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities; and
- (c) a person or company that after the proposed transfer will hold more than 10% of the voting rights attached to the Company's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries.

Pursuant to the terms of the Escrow Agreement, upon the bankruptcy of a holder of escrowed securities, the securities held in escrow may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities. Upon the death of a holder of escrowed securities, all securities of the deceased holder will be released from escrow to the deceased holder's legal representative.

Pursuant to the terms of the Escrow Agreement, 10% of each principal's shares (a total of 646,300 Common Shares) will be released from escrow on the Listing Date. The remaining 5,816,701 Common Shares of the Company which will be held in escrow immediately following the Listing Date will represent 27.2 % of the Common Shares of the Company issued and outstanding immediately following the completion of the Offering.

The complete text of the Escrow Agreement is available for inspection at the office of the Company's legal counsel, Suite 1200-750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

Shares Subject to Resale Restrictions

Canadian securities legislation generally states that shares issued by a company during its private stage, commonly referred to as "seed shares", may not be resold until the expiration of certain hold periods. The legislation which imposes and governs these hold periods in most instances and in most jurisdictions (including British Columbia, Alberta and Saskatchewan) is NI 45-102. Pursuant to NI 45-102, securities of an issuer issued prior to an initial public offering are either subject to a "seasoning period" lasting 4 months from the date an issuer becomes a reporting issuer, or a "restricted period" of 4 months from the date of distribution of the securities. The 4 month restricted period usually runs concurrently with a 4 month seasoning period while in some instances the seasoning period is the only applicable hold period under NI 45-102. During either a seasoning period or a restricted period securities may not be resold except pursuant to an exemption from applicable prospectus and registration requirements.

Where an issuer becomes a reporting issuer in certain Canadian jurisdictions (including British Columbia, Alberta and Saskatchewan) by filing a prospectus in that jurisdiction, the 4 month seasoning period is eliminated. Thus, only securities which were subject to a 4 month restricted period will be subject to resale restrictions under NI 45-102 after an initial public offering. In the Company's case, a total of 797,500 Common Shares which were issued to seed share purchasers on May 18, 2006 will be subject to a 4 month restricted period commencing on that date and ending on September 19, 2006. In addition, 695,500 Common Shares issued to seed share purchasers on June 7, 2006 will be subject to a four month hold period commencing on that date and ending October 8, 2006. In addition, 650,000 Common Shares issued on May 24, 2006 as partial consideration for the Company's Northwest Copper Property will be subject to a 4 month restricted period commencing on that date and ending on September 25, 2006. The balance of the Company's seed shares will not be subject to resale restrictions under NI 45-102. Escrow requirements described above and Exchange hold periods described below, will, however, apply to certain of these shares as described herein.

In addition to the resale restrictions imposed by NI 45-102 and the escrow requirements imposed by National Policy 46-201, the Exchange can impose additional resale restrictions and escrow requirements on principals and non-principals of a company. In the Company's case, the Exchange's seed share resale matrix will be applicable to a total of 1,879,000 Common Shares. Under the applicable provisions of the resale matrix these shares must be placed in escrow pursuant to an Exchange value security escrow agreement. Under the terms of the value security escrow agreement, 10% of the 1,879,000 Common Shares placed in escrow will be released on the Listing Date and 15% of the shares will be released every 6 months thereafter, resulting in a release of all of the shares 36 months from the Listing Date.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus the following persons beneficially own directly or indirectly, or exercises direct or indirect control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares:

Name	Number of Common Shares
Michael Byrne	2,478,001
John Hajek	3,328,000*

* This figure represents: (i) 1,040,000 Common Shares held by Valor Mines Inc.; (ii) 1,860,000 Common Shares held by Zelon Enterprises Ltd.; and (iii) (iv) 428,000 Common Shares held by Valor Resources Ltd. All of the aforementioned companies are controlled by John Hajek.

DIRECTORS AND OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly⁽¹⁾ (at the date of this Prospectus)
Michael Byrne (1) North Vancouver, BC President, Chief Financial Officer and Director	November 29, 2004	Principal, Byrne & Associates, a chartered accounting firm. President of the Company.	2,478,001 common shares
William Coulter (4) West Vancouver, BC Chairman and Director	September 1, 2005	Engineer, mining and mineral resource executive.	100,000 common shares
William Bird (1)(4) Victoria, BC Director	August 2, 2005	Mining executive.	100,000 common shares
Tex C. Enemark (1)(4) Richmond, BC Director	March 1, 2005	Public Policy consultant.	107,000 common shares
John Hajek West Vancouver, BC Vice-President,	March 1, 2005	Mining exploration and development executive.	3,328,000 common shares ⁽³⁾

Exploration and Director			
Ray Torresan West Vancouver, BC Chief Executive Officer	March 1, 2005	President, Torresan Communications Inc.	350,000 common shares

Notes:

- (1) Denotes a member of the Audit Committee of the Company.
- (2) Does not include options to purchase Common Shares held by directors and officers. See “Options to Purchase Securities”.
- (3) This figure represents: (i) 1,040,000 Common Shares held by Valor Mines Inc.; (ii) 1,860,000 Common Shares held by Zelon Enterprises Ltd.; and (iii) 428,000 Common Shares held by Valor Resources Ltd. All of the aforementioned companies are controlled by John Hajek.
- (4) Denotes a member of the Compensation Committee of the Company.

The term of office of the directors expires annually at the time of the Company’s annual general meeting. The term of office of the officers expires at the discretion of the Company’s directors. The Company has not entered into any non-competition or non-disclosure agreements with its directors and officers.

As at the date of this Prospectus, the directors and officers of the Company as a group owned beneficially, directly or indirectly or exercised control or discretion over an aggregate of 6,463,001 Common Shares of the Company, which is equal to 46.54% of the Common Shares of the Company’s currently issued and outstanding.

The directors and officers of the Company anticipate that they will dedicate the following percentage of their time to the affairs of the Company: Michael Byrne, currently 50% and 75% effective September 1, 2006, William Coulter, 10%, William Bird 10%, Tex C. Enemark 10%, John Hajek 90% and Ray Torresan 50% currently. Actual time spent by each individual may be more or less depending on the Company’s requirements.

The following is a brief biography of each of the principals of the Company:

Michael Byrne, age 45, President, Chief Financial Officer and a director of the Company is a co-founder of the Company, has over 20 years of public practice accounting, tax and wealth planning experience. He is a principal of Byrne & Associates, a Vancouver-based chartered accounting firm. Mr. Byrne received his chartered accountant designation in 1989.

Ray Torresan, age 67, Chief Executive Officer, has had international experience in marketing and public relations. As a media and investor relations consultant, he has acted for clients with interests on four continents for over 35 years. He has directed many international communications programs for resource-based companies. Mr. Torresan handled corporate communications for AcceleRate Power Systems Inc., a company listed on the Exchange from May, 2003 until September, 2005. He was a director of Aries Resource Corp., a company listed on the Exchange, from March, 2004 until November 2004.

William Coulter, age 72, Chairman and director of the Company, is a graduate of the University of Toronto with a Bachelor of Applied Science and Engineering degree and has more than thirty years experience in the mineral resource sector. He has served as founding director and shareholder of numerous mining and hydrocarbon companies. Since 1991, he has been chairman of Commander Resources Ltd., a base and precious metals exploration company trading on the Exchange. He was President of Commander Resources Ltd. from August 1999 to February 2004. Mr. Coulter was a director of Atna Resources Ltd., an Exchange listed company from June, 1984 to March, 2006.

William Bird, age 64, director of the Company, has over 35 years of experience in the mining industry. He has served as a senior executive and CEO of several publicly-traded exploration companies. He obtained his PhD in Geology from the Colorado School of Mines and has served in numerous consulting,

teaching, management and technical positions. Mr. Bird is currently the President and CEO of Rare Element Resources Ltd., President, CEO and a director of Medallion Resources Ltd. and CFO and director of Journey Unlimited Omni Brands Corporation, all Exchange listed companies. He also held positions as both a director and officer of International Taurus Resources Inc., an Exchange listed company from October 1999 to May 2005. Mr. Bird was also a director of International Gemini Technology Inc. (June 2005 – January 2006), a company whose shares trade on the OTC Bulletin Board, a director and president of Scorpio Mining Corporation (September 2002 – April, 2004), an Exchange listed company. Mr. Bird was the President and CEO of Robex Resources Inc. from May, 2004 until January, 2005 and is currently the Chairman of Blue Heron Productions Inc., a position he has held since June 1993.

Tex C. Enemark, age 65, director of the Company, obtained a law degree from UBC in 1970 and is a self-employed public policy consultant. He is past-president and CEO of the Mining Association of British Columbia, He also served as the Deputy Minister for Consumer and Corporate Affairs for the province of British Columbia. Mr. Enemark was also the director of Deregulation, Ministry of Deregulation for the BC government, and he has represented BC on Federal-Provincial working committees at the Economic Council of Canada. Mr. Enemark was a director of Barker Minerals from May, 2000 until May, 2005.

John Hajek, age 65, Vice-President, Exploration and director of the Company, has over 30 years of mining and exploration experience in North America. . Mr. Hajek has managed joint venture projects for Esso Minerals, Kerr Addison, Bethlehem Copper, Mobil Energy and Texaco Canada. Mr. Hajek's principal occupation is as a prospector and mining consultant.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, to the best of the Company's knowledge, no existing or proposed director, officer, promoter or other member of management of the Company is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other corporation that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that corporation, was the subject of a cease trade order or similar order or an order that denied the corporation access to any statutory exemptions for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Penalties or Sanctions

Other than as disclosed herein, to the Company's knowledge, no director or officer of the Company, nor any shareholder holding sufficient securities of the Company to materially affect control of the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the Company's knowledge, no director or officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the ten years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (British Columbia), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company.

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

The following table discloses compensation paid to or awarded to the Company's Chief Financial Officer (the "Named Executive Officers") for the period from incorporation (November 12, 2004) to March 31, 2005 and for the year ended March 31, 2006, for services rendered to the Company or a subsidiary of the Company. The Company did not have a Chief Executive Officer during those periods. The Company appointed a Chief Executive Officer on June 21, 2006.

Summary Compensation Table

Name and Principal Position	Annual Compensation				Long Term Compensation			
	Year ⁽¹⁾	Salary	Bonus	Other Annual Compensation	Awards	Payouts		
					Securities Under Options/SARs Authorized ⁽²⁾	Restricted Shares or Restricted Share Units	LTIP Payouts	All other Compensation
Michael Byrne, President, Chief Financial Officer and Director ⁽¹⁾	2006	33,750 ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The reference to Fiscal Year 2005 refers to the period from incorporation (November 12, 2004) to March 31, 2005.

(2) Mr. Byrne has been president, director and CFO of the Company since November 29, 2004. Mr. Byrne entered into a management contract with the Company pursuant to which he currently receives \$3,750 per month for his services as president such amount to be increased to \$10,000 per month effective September 1, 2006. See "Termination of Employment, Changes in Responsibility and Employment Contracts".

- (3) Does not include approximately \$2,000 per month paid for subleasing office space and for office services which is paid to a firm controlled by Michael Byrne.

Long-Term Incentive Plan Awards During the Most Recently Completed Financial Year

The Company did not have any long-term incentive plans during the year ended March 31, 2006 or the period from incorporation (November 12, 2004) to March 31, 2005.

Option/SAR Grants During the Most Recently Completed Financial Year

The Company did not grant any options or SARs during the period from incorporation (November 12, 2004) to March 31, 2006.

Aggregated Options/SAR Exercises in Last Financial Year and Financial Year-End Option/SAR Values

None of the Named Executive Officers, directors or officers of the Company exercised any options in respect of the Company's Common Shares during the year ended March 31, 2006 or the period from incorporation (November 12, 2004) to March 31, 2005. As at the date of this prospectus, none of the Named Executive Officers, directors or officers of the Company have exercised any options in respect of the Company's Common Shares.

Termination of Employment, Changes in Responsibility and Employment Contracts

The Company entered into the Byrne Management Agreement with Michael Byrne, President, CFO and a director of the Company. Pursuant to the Management Agreement, the Company has agreed to pay Mr. Byrne a monthly fee (the "Fee") in the amount of \$3,750 to be increased to \$10,000 per month commencing September 1, 2006 in consideration for providing management services (the "Services") to the Company. The Management Agreement expires on June 23, 2007 and can be terminated earlier on 30 days notice to Mr. Byrne. After its expiration, the Management Agreement may be renewed or extended by mutual agreement between the parties.

The Company entered into the Torresan Management Agreement with Torresan Communications Inc., a company controlled by Ray Torresan, Chief Executive Officer of the Company. Pursuant to the Torresan Management Agreement, the Company has agreed to pay Torresan Communications Inc.: (i) \$20,000 on signing (which amount has been paid); (ii) a monthly fee in the amount of \$5,500; and (iii) a \$20,000 bonus payable, at the discretion of the Company, in cash or stock options at the Company's initial public offering price. The Torresan Management Agreement is for a term of five months, expiring August 31, 2006.

The Company and its subsidiaries are not parties to any contracts, and have not entered into any plans or arrangements which require compensation to be paid to any of their directors, officers or employees in the event of:

- (a) resignation, retirement or any other termination of employment with the Company or one of its subsidiaries;
- (b) a change of control of the Company or one of its subsidiaries; or
- (c) a change in the director, officer or employee's responsibilities following a change of control of the Company.

Compensation of Directors

The only arrangements the Company has, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of stock options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at March 31, 2006, or is currently indebted to the Company.

PLAN OF DISTRIBUTION

The Offering

The Company, through the Agent, is offering 7,500,000 Units to the public under this Prospectus at a price of \$0.40 per Unit for aggregate gross proceeds of \$3,000,000. Each Unit is comprised of one Common Share and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to acquire one Common Share upon payment of the exercise price of \$0.50 at any time prior to 4:30 p.m. (Vancouver time) on the date which is twelve months from the Closing Date.

The Offering will continue for a maximum period of 90 days after the Effective Date.

During the Offering Period, funds received from subscriptions will be held by the Agent. If the Offering is not subscribed for during the Offering Period, subscription funds will be returned to the Subscribers, without interest or deduction (unless the Subscribers have otherwise instructed the Agent). If the Offering is subscribed for during the Offering Period, then subject to the terms of the Agency Agreement, all subscription proceeds deposited with the Agent will be delivered to the Company at the Closing.

Appointment of Agent

Pursuant to the terms of the Agency Agreement, the Company has engaged the Agent as its exclusive agent for the purposes of the Offering, and the Company, through the Agent, hereby offers for sale to the public under this Prospectus, on a commercially reasonable efforts basis, the Units to be issued and sold under the Offering at the Offering Price, subject to prior sale if, as and when issued. The Offering Price was established through negotiation between the Company and the Agent. The Agent has agreed to use reasonable commercial efforts to secure subscriptions for the Units offered pursuant to the Offering in the provinces of British Columbia, Alberta and Saskatchewan and in other jurisdictions where the Offering may be lawfully made. This Prospectus qualifies the distribution of the Units to the Subscribers in British Columbia, Alberta and Saskatchewan.

Pursuant to the terms of the Agency Agreement, the Company has agreed to pay the Agent the Agent's Commission equal to 8% of the gross proceeds received from the sale of the Units under the Offering. One-half of the Agent's Commission is payable in Agent's Commission Units at the option of the Agent. Each Agent's Commission Unit will be comprised of one Agent's Commission Share and one-half of one Agent's Commission Warrant. The Agent's Commission Warrants will have the same terms as the Warrants, with each whole Agent's Commission Warrant entitling the holder to purchase one additional Common Share at a price of \$0.50 at any time prior to the date which is twelve months from the Closing Date. This Prospectus qualifies the distribution of the Agent's Commission Units, including the Agent's Commission Shares and the Agent's Commission Warrants.

Under the Agency Agreement the Company has also agreed to issue the Agent's Option to the Agent (or, as directed by the Agent, to other Selling Firms) upon completion of the Offering. The Agent's Option will entitle the Agent to acquire the Agent's Units for a period of 24 months from Closing for consideration of \$0.40 per Agent's Unit. The Agent's Units will be comprised of one Agent's Share and one-half of one Agent's Warrant. The Agent's Warrants will have the same terms as the Warrants with each whole Agent's Warrant entitling the holder(s) to purchase one Agent's Warrant Share at a price of \$0.50 at any time prior to the date which is twelve months from the Closing Date. This Prospectus qualifies the distribution of the Agent's Option including the Agent's Shares, the Agent's Warrants and the Agent's Warrant Shares.

Pursuant to the terms of the Agency Agreement, the Company has agreed to pay the Agent a Corporate Finance Fee of \$30,000 plus applicable GST. As at the date of this Prospectus, the Agent has been paid \$10,000 of the Corporate Finance Fee as a non-refundable due diligence fee. One-half of the Corporate Finance Fee, being \$15,000, may be payable in Corporate Finance Units at the option of the Agent. Each Corporate Finance Unit will be comprised of one Corporate Finance Share and one-half of one Corporate Finance Warrant. The Corporate Finance Warrants will have the same terms as the Warrants, with each whole Corporate Finance Warrant entitling the holder to purchase one additional Common Share at a price of \$0.50 at any time prior to the date which is twelve months from the Closing Date. This Prospectus qualifies the distribution of the Corporate Finance Units, including the Corporate Finance Shares and Corporate Finance Warrants.

Pursuant to the terms of the Agency Agreement the Company has also agreed to pay the Agent's reasonable expenses in connection with the Offering, including legal expenses and the Agent's reasonable out-of-pocket expenses, estimated to be approximately \$30,000. Pursuant to the Agency Agreement, the Company has provided the Agent with an initial retainer in the amount of \$12,000 to cover expenses, legal fees and disbursements. Additional retainer funds will be required by the Agent as the Offering proceeds.

Over-Allotment Option

Under the Agency Agreement, the Company has granted the Agent an Over-Allotment Option exercisable up to 24 hours prior to the Closing Date, to solicit subscriptions for and purchase up to an additional 1,125,000 Over-Allotment Units at the Offering Price and to require the Company to issue and deliver such number of Over-Allotment Units as is required to cover any Over-Allotment. Each Over-Allotment Unit will be comprised of one Over-Allotment Share and one-half of one Over-Allotment Warrant. The Over-Allotment Warrants will have the same terms as the Warrants, with each full Over-Allotment Warrant entitling the holder to purchase one additional Common Share at a price of \$0.50 at any time prior to the date which is 12 months from the Closing Date. This Prospectus qualifies the distribution of the Over-Allotment Units, including the Over-Allotment Shares and Over-Allotment Warrants.

Selling Group Participation

The Agent may, in connection with the Offering and in its sole discretion, retain one or more Selling Firms as sub-agents and may receive subscriptions for Units from such Selling Firms. The Agent is not obligated to purchase any of the Units in connection with the Offering.

Disclosure of Market Out

The Agency Agreement provides that, upon the occurrence of certain events or at the discretion of the Agent on the basis of its assessment of the state of financial markets, the Agent may terminate the Offering and the obligations of Subscribers to purchase the Shares will then cease. The Agent may also terminate the Agency Agreement if the Effective Date has not occurred within 120 days from the date of the Agency Agreement.

Right of First Refusal

The Company has granted the Agent a right of first refusal to act as agent in respect of any public or private financings carried out by the Company during the twelve month period following the Closing Date.

Miscellaneous

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering.

The directors, officers and other insiders of the Company may purchase Units under the Offering.

Other

The Units offered hereby have not been and will not be registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold within the United States or to U.S. persons except in certain transactions exempt from the registration requirements of the United States *Securities Act of 1933*.

Subscriptions will be received for the Units offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the time required, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction.

Listing of Common Shares

An application has been made to conditionally list the Common Shares of the Company being offered under this Prospectus on the Exchange. Listing is subject to the Company fulfilling all of the listing requirements of the Exchange.

RISK FACTORS

General

The Company is in the business of exploring and developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any of the Companies properties. The purpose of the Offering is to raise funds to carry out exploration and development on the Company's principal property. There is no guarantee that economic quantities of mineral reserves will be discovered on any of the Company's properties.

The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. Payment of any future dividends will be at the discretion of the Company's Board of Directors after taking into account many factors, including operating results, financial condition and anticipated cash needs.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Acquisition Of Additional Mineral Properties

If the Company loses or abandons its interest in its properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Commercial Ore Deposits

The Company's properties are in the exploration stage only and are without known bodies of commercial ore. Development of any of the properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Permits And Government Regulations

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties.

Environmental And Safety Regulations And Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

In particular, the western boundary of the Taseko Property in part adjoins the eastern boundary of Ts'yl-os Provincial Park. The eastern boundary of the Taseko Property adjoins the Big Creek Provincial Park and the Spruce Lake Protected Area. Environmental assessments were made as part of the Chilko Lake Planning Area Process and a report (Sopuck, et. al.,1997) states that the riparian corridors are sensitive, especially small poplar groves in river valleys.

Mineral Titles

No assurances can be given that title defects to the Company's properties do not exist. The Company's properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title and interest in and to the properties. The Company does not own the Taseko Property and only has a right to earn an interest in the Taseko Property pursuant to an option agreement. As is the case with many property interests in British Columbia, title to the Taseko Property may be subject to aboriginal land claims. To date, the Company is not aware of any specific claims with respect to the Taseko Property.

Loss Of Interest In Properties

The Company's properties are subject to agreements which require the Company to make cash and share payments and to incur exploration and development expenditures in order to maintain and/or earn its interest in them. The Company's ability to maintain an interest in its properties will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the maintenance or acquisition of its properties and could result in a delay or postponement of further exploration and the partial or total loss of the Company's interest in the properties.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to acquire suitable properties or prospects for mineral exploration in the future.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

No Currently Known Commercial Mineral Deposits

The properties on which the proceeds of the Offering are to be expended contain no currently known amounts of commercial mineral deposits. The Company's programs are an exploratory search therefor.

Financing Risks

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially minable deposit exists on any of its properties. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Company, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Dilution

There are a number of outstanding options and warrants pursuant to which additional Common Shares of the Company may be issued in the future. Exercise of such options and warrants may result in dilution to the Company's shareholders. In addition, if the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

Resale of Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the securities distributed hereunder will be affected by such volatility. There is no public market for the Company's Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been determined by negotiations between the Company and representatives of the Agent and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
2. no commissions or other extraordinary consideration will be paid to such directors and officers; and
3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing for the Common Shares.

Dividends

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

PROMOTERS

Michael Byrne is the only person who is now or has been a promoter of the Company. Other than as disclosed in this Prospectus, no person who was a promoter of the Company within the last two years:

- (a) received anything of value directly or indirectly from the Company or a subsidiary;
- (b) sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years;
- (c) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- (d) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- (f) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, no insider of the Company, director, or associate or affiliate of them, has any material interest, direct or indirect, in any transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Company. In particular please see the section entitled “Significant Acquisitions and Dispositions” on page 18 for details of the interests of Michael Byrne and John Hajek in material transactions.

Michael Byrne director, president and chief financial officer of the Company, currently receives \$3,750 per month as salary for management services provided to the Company. This amount will be increased to \$10,000 per month effective September 1, 2006 (see Termination of Employment, Changes in Responsibility and Employment Contracts on page 66 for further details).

The Company entered into the Torresan Management Agreement with Torresan Communications Inc., a company controlled by Ray Torresan, Chief Executive Officer of the Company. Pursuant to the Torresan Management Agreement, the Company has agreed to pay Torresan Communications Inc.: (i) \$20,000 on signing (which amount has been paid); (ii) a monthly fee in the amount of \$5,500; and (iii) a \$20,000 bonus payable, at the discretion of the Company, in cash or stock options at the Company's initial public offering price. The Torresan Management Agreement is for a term of five months, expiring August 31, 2006.

The Company paid geophysical consulting fees of \$25,000 (2005) and accrued \$46,700 (2006) to companies controlled by a director.

RELATIONSHIP BETWEEN THE COMPANY AND AGENTS

The Company is not a related party or connected party to the Agent as such terms are utilized in the *Securities Act* (British Columbia).

AUDITORS

The auditors of the Company are Davidson & Company, LLP, Chartered Accountants, of 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Pacific Corporate Trust Company of 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since incorporation which are currently in effect and considered to be currently material:

1. Agency Agreement dated for reference June 14, 2006 between the Company and Wolverton Securities Ltd.;
2. Escrow Agreement dated July 6, 2006 between the Company, Pacific Corporate Trust Company and others;
3. Stock Option Plan dated May 25, 2006 referred to under "Options to Purchase Securities";
4. Northwest Copper Agreement dated May 30, 2005 between the Company, Michael Byrne and Valor Mines Inc. referred to under "Significant Acquisitions and Dispositions";
5. Fortune Agreement dated July 21, 2005 between the Company, Michael Byrne and Zelon Chemicals Ltd. referred to under "Significant Acquisitions and Dispositions";

6. Charlie-Hub Agreement dated July 22, 2005 between the Company, Michael Byrne and Zelon Enterprises Ltd. referred to under “Significant Acquisitions and Dispositions”;
7. Magic-Twin Agreement dated July 21, 2005 between the Company, Michael Byrne and Valor Resources Ltd. referred to under “Significant Acquisitions and Dispositions”;
8. Battlement Agreement dated July 21, 2005 between the Company, Michael Byrne and Zelon Chemicals Ltd. referred to under “Significant Acquisitions and Dispositions”;
9. Spokane Agreement dated July 21, 2005 between the Company, Michael Byrne and Zelon Enterprises Ltd. referred to under “Significant Acquisitions and Dispositions”;
10. Agreement dated April 10, 2006 between the Company and Michael Byrne referred to under “Significant Acquisitions and Dispositions”;
11. Letter Agreement dated February 1, 2005 between John Hajek, Marlyse Hajek, Michael Byrne, Valor Mines Ltd., Zelon Enterprises Ltd., Zelon Chemicals Ltd., Valor Resources Ltd. and the Company referred to under “Significant Acquisitions and Dispositions” ;
12. Management Agreement dated March 1, 2006 between the Company and Torresan Communications Inc.;
13. Management Agreement dated June 23, 2006 between the Company and Michael Byrne;
14. Termination Agreement dated July 22, 2005, between the Company, John Hajek, Marlyse Hajek, Michael Byrne, Valor Mines Ltd., Zelon Enterprises Ltd., Zelon Chemicals Ltd. and Valor Resources;
15. Transfer Agency Agreement dated March 22, 2006 between the Company and Pacific Corporate Trust Company;
16. Taylor-Windfall Agreement dated April 12, 2006, between the Company and J.D. Graham & Associates Ltd.
17. Client Services Agreement dated June 13, 2006, between the Company and Stockgroup Media Inc. pursuant to which Stockgroup Media Inc. will provide investor awareness and lead generation services for twelve months for a total fee of \$31,779.
18. Amendment to the Northwest Copper Agreement dated June 26, 2006 between the Company, Michael Byrne and Valor Mines Inc.;
19. Amendment to the Fortune Agreement dated June 26, 2006 between the Company, Michael Byrne and Zelon Chemicals Ltd.;
20. Amendment to the Charlie-Hub Agreement dated June 26, 2006 between the Company, Michael Byrne and Zelon Enterprises Ltd.;
21. Amendment to the Magic-Twin Agreement dated June 26, 2006 between the Company, Michael Byrne and Valor Resources Ltd.;
22. Amendment to the Battlement Agreement dated June 26, 2006 between the Company, Michael Byrne and Zelon Chemicals Ltd.;

23. Amendment to the Spokane Agreement dated June 26, 2006 between the Company, Michael Byrne and Zelon Enterprises Ltd.;

A copy of any material contract and the technical report may be inspected during distribution of the Common Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Company's registered and records office at Suite 1200, 750 West Pender Street, Vancouver, British Columbia, Canada.

LEGAL MATTERS

Certain legal matters related to the Offering have been passed upon on behalf of the Company by Morton & Company and on behalf of the Agent by Miller Thomson LLP.

EXPERTS

Income tax consequences to purchasers are not viewed as a material aspect of the Offering of the Common Shares hereunder. **Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition of Common Shares under this Prospectus.**

RELATIONSHIP BETWEEN THE COMPANY'S PROFESSIONAL PERSONS AND EXPERTS

There is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Company's issued capital or property of the Company or of an associate or affiliate of the Company, held by a professional person as referred to in section 106(2) of the Rules under the *Securities Act* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm or by any person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Prospectus or prepared or certified a report or valuation described or included in this Prospectus. No such person is or is expected to be elected, appointed or employed as a director or employee of the Company.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the Province of British Columbia, Alberta and Saskatchewan provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

Attached to and forming a part of this Prospectus are the financial statements of the Company for the year ended March 31, 2006 and for the period from formation on November 12, 2004 to March 31, 2005.

DAVIDSON & COMPANY LLP

Chartered Accountants
1200 – 609 Granville Street
Vancouver, British Columbia
V7Y 1G6.

AUDITORS' CONSENT

We have read the preliminary prospectus of Galore Resources Inc. (the "Company") dated July __, 2006 relating to the issue and sale of 7,500,000 units at a price of \$0.40 per unit. Each unit is comprised of one common share and one-half share purchase warrant with each full warrant entitling the holder to purchase one additional common share at \$0.50 per share, expiring one year from the closing of the offering. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the balance sheets of the Company as at March 31, 2006 and 2005 and the statements of operations and deficit and cash flows for the year ended March 31, 2006 and for the period from formation on November 12, 2004 to March 31, 2005. Our report is dated June 19, 2006 (except as to Note 11 which is as of July __, 2006).

Vancouver, Canada

Chartered Accountants

DATE

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)

FINANCIAL STATEMENTS

MARCH 31, 2006

AUDITORS' REPORT

To the Directors of
Galore Resources Inc.
(formerly TRW Resources Inc.)

We have audited the balance sheets of Galore Resources Inc. (formerly TRW Resources Inc.) as at March 31, 2006 and 2005 and the statements of operations and deficit and cash flows for the year ended March 31, 2006 and for the period from formation on November 12, 2004 to March 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2006 and 2005 and the results of its operations and its cash flows for the year ended March 31, 2006 and for the period from formation on November 12, 2004 to March 31, 2005 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

Chartered Accountants

June 19, 2006 (except as to Note 11,
which is as of July ___, 2006)

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)
BALANCE SHEETS
AS AT MARCH 31

	2006	2005
ASSETS		
Current		
Cash	\$ 86,844	\$ 88,399
Receivables	12,224	2,052
Prepaid expenses	<u>10,578</u>	<u>3,988</u>
	109,646	94,439
Equipment (Note 3)	5,821	375
Deferred financing costs (Note 11)	31,552	-
Exploration advances	60,000	-
Mineral properties (Note 4)	<u>861,342</u>	<u>91,940</u>
	<u>\$ 1,068,361</u>	<u>\$ 186,754</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 124,134	\$ 27,417
Future income taxes (Note 6)	<u>33,432</u>	<u>-</u>
	<u>157,566</u>	<u>27,417</u>
Shareholders' equity		
Capital stock (Note 5)	1,099,493	49,321
Subscriptions received in advance	-	150,000
Deficit	<u>(188,698)</u>	<u>(39,984)</u>
	<u>910,795</u>	<u>159,337</u>
	<u>\$ 1,068,361</u>	<u>\$ 186,754</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

On behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements.

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)
STATEMENTS OF OPERATIONS AND DEFICIT

	Year Ended March 31, 2006	Period From Formation on November 12, 2004 to March 31, 2005
EXPENSES		
Amortization	\$ 1,167	\$ 374
Consulting	12,309	-
Corporate development	24,719	-
General exploration	31,415	21,053
Management fees	110,750	3,000
Office and related	35,656	1,465
Professional fees	37,617	22,489
Shareholder communications	9,016	2,283
Telephone and utilities	15,961	-
Loss before income taxes	(278,610)	(50,664)
Future income tax recovery (Note 6)	129,896	10,680
Loss for the period	(148,714)	(39,984)
Deficit, beginning of period	(39,984)	-
Deficit, end of period	\$ (188,698)	\$ (39,984)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	9,073,371	4,814,287

The accompanying notes are an integral part of these financial statements.

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)
STATEMENTS OF CASH FLOWS

	Year Ended March 31, 2006	Period From Formation on November 12, 2004 to March 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (148,714)	\$ (39,984)
Items not affecting cash:		
Amortization	1,167	374
Future income tax recovery	(129,896)	(10,680)
Changes in non-cash working capital items:		
Increase in receivables	(10,172)	(2,052)
Increase in prepaid expenses	(6,590)	(3,988)
Increase in accounts payable and accrued liabilities	<u>46,435</u>	<u>19,448</u>
Net cash used in operating activities	<u>(247,770)</u>	<u>(36,882)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property expenditures	(378,672)	(33,971)
Exploration advances	(60,000)	-
Purchase of equipment	<u>(6,613)</u>	<u>(749)</u>
Net cash used in investing activities	<u>(445,285)</u>	<u>(34,720)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital stock issued for cash	718,000	10,001
Share issue costs	(4,500)	-
Share subscriptions received in advance	-	150,000
Deferred financing costs	<u>(22,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>691,500</u>	<u>160,001</u>
Change in cash during the period	(1,555)	88,399
Cash, beginning of period	<u>88,399</u>	<u>-</u>
Cash, end of period	\$ 86,844	\$ 88,399
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 7)

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Galore Resources Inc. (formerly TRW Resources Inc.) (the "Company") was incorporated in the Province of British Columbia on November 12, 2004 and is in the process of completing an initial public offering ("IPO") on the TSX Venture Exchange ("TSX-V") (Note 11). The Company changed its name to Galore Resources Inc. on March 31, 2005.

The Company's principal business activity is the acquisition and exploration of mineral properties. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

	2006	2005
Working capital (deficiency)	\$ (14,488)	\$ 67,022
Deficit	(188,698)	(39,984)

2. SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Equipment

Equipment, consisting of furniture, computer hardware and software is recorded at cost less accumulated amortization. Amortization is recorded at annual declining balance rates of between 20% and 100%.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties

All costs related to the acquisition, exploration and development of mineral property interests are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Income taxes

Income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Stock-based compensation

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued. Deferred financing costs consist primarily of corporate finance fees, legal fees and sponsorship fees.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation was not presented separately as the calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

Flow-through common shares

Proceeds from the sale of flow-through shares are credited to share capital. The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. Future income taxes related to temporary differences arising on renunciation of expenditures to subscribers are charged to share capital. When the Company renounces flow-through expenditures that give rise to a temporary difference, a portion of the Company's future income tax assets not previously recognized will be recognized as a recovery of future income taxes in the statement of operations.

3. EQUIPMENT

	2006			2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment	\$ 7,362	\$ 1,541	\$ 5,821	\$ 749	\$ 374	\$ 375

4. MINERAL PROPERTIES

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2006

4. MINERAL PROPERTIES (cont'd...)

	Northwest Copper	Charlie- Hub	Spokane	Fortune	Battlement	Magic Twin	Taylor Windfall	Total
Opening balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition costs	8,333	8,333	8,333	8,333	8,333	8,335	-	50,000
Option payments	10,000	-	5,000	-	3,000	-	-	18,000
Assessment costs	14,300	2,760	-	5,260	1,220	-	-	23,540
Geophysics	400	-	-	-	-	-	-	400
Balance, March 31, 2005	<u>33,033</u>	<u>11,093</u>	<u>13,333</u>	<u>13,593</u>	<u>12,553</u>	<u>8,335</u>	<u>-</u>	<u>91,940</u>
Acquisition costs	130,000	100,000	40,000	40,000	10,000	30,000	15,000	365,000
Option payments	-	10,000	-	5,000	-	5,000	-	20,000
Assessment costs	51,571	16,653	1,057	1,057	11,682	2,337	-	84,357
Geophysics	30,061	130,574	-	-	625	8,095	-	169,355
Geological	3,707	14,254	-	-	17,391	-	-	35,352
Geochemistry	3,643	47,860	-	18,350	-	-	-	69,853
Travel	-	25,485	-	-	-	-	-	25,485
	<u>218,982</u>	<u>344,826</u>	<u>41,057</u>	<u>64,407</u>	<u>39,698</u>	<u>45,432</u>	<u>-</u>	<u>769,402</u>
Balance, March 31, 2006	\$ 252,015	\$ 355,919	\$ 54,390	\$ 78,000	\$ 52,251	\$ 53,767	\$ 15,000	\$ 861,342

In February 2005, the Company entered into a letter agreement with a director and companies controlled by a director or a spouse of a director of the Company regarding the Taseko claims (being the properties described below other than the Taylor Windfall and Galore claims). The Company issued 5,000,000 shares at a value of \$50,000 pursuant to this agreement. The letter agreement was then terminated and replaced with the option agreements described below.

In April 2006, the Company entered into an agreement with a director of the Company regarding the various Taseko claims option agreements described below (collectively, the "Option Agreements"). Pursuant to the agreement the director has agreed to waive his right to receive certain common shares under each of the Option Agreements. In addition, the amount payable to the director to acquire the additional interests in the Option Agreements has been capped at an aggregate \$200,000 which may be paid by cash or issuing common shares of the Company. In consideration for agreeing to the above, the Company will grant the director 500,000 stock options exercisable at a price of \$0.10 per share for a period of 5 years once the Company's shares are listed for trading on the TSX-V.

Northwest Copper property

In May 2005, the Company entered into an option agreement, as amended, to acquire a 90% interest in the Northwest Copper property. As consideration, the Company is required to pay \$10,000 (paid) plus \$10,000 annually until the Company has acquired a 100% interest and issue 2,080,000 common shares (520,000 on closing (issued) and 520,000 on each of the first (issued subsequent to March 31, 2006), second and third anniversary of the agreement). The annual \$10,000 payments can be credited towards the purchase of the remaining 10% interest. The Company must also incur exploration expenditures of \$1,000,000 by the fifth anniversary of the agreement. The optionor is a company controlled by a director of the Company.

4. MINERAL PROPERTIES (cont'd...)

Northwest Copper property (cont'd...)

In addition, the Company will issue 260,000 common shares (130,000 on closing (issued) and 130,000 on the first anniversary of the agreement (issued subsequent to March 31, 2006)) to a director of the Company.

The property is subject to a 1.5% net smelter return royalty ("NSR") payable ½ to the optionor and ½ to a director of the Company.

After the Company has earned a 90% interest, the remaining 10% interest and 1.5% NSR can be acquired over a five year period by paying \$400,000 to the optionor and up to \$100,000 to a director of the Company.

Charlie - Hub property

In July 2005, the Company entered into an option agreement, as amended, to acquire a 90% interest in the Charlie - Hub property. As consideration, the Company is required to pay \$10,000 (paid) plus \$10,000 annually until the Company has acquired a 100% interest and issue 1,600,000 common shares (400,000 on closing (issued) and 400,000 on each of the first, second and third anniversary of the agreement). The annual \$10,000 payments can be credited towards the purchase of the remaining 10% interest. The Company must also incur exploration expenditures of \$500,000 by the fifth anniversary of the agreement. The optionor is a company controlled by a director of the Company.

In addition, the Company will issue 200,000 common shares (100,000 on closing (issued) and 100,000 on the first anniversary of the agreement) to a director of the Company.

After the Company has earned a 90% interest, the remaining 10% interest can be acquired over a five year period by paying \$400,000 to the optionor and up to \$100,000 to a director of the Company.

The property is subject to a 1.5% NSR payable ½ to the optionor and ½ to a director of the Company. The NSR can be purchased by the Company over an 8 year period by paying \$250,000 to the optionor and \$250,000, at the Company's option, in cash or shares to a director of the Company.

Spokane property

In July 2005, the Company entered into an option agreement, as amended, to acquire a 90% interest in the Spokane property. As consideration, the Company is required to pay \$5,000 (paid) plus \$5,000 annually until the Company has acquired a 100% interest and issue 640,000 common shares (160,000 on closing (issued) and 160,000 on each of the first, second and third anniversary of the agreement). The annual \$5,000 payments can be credited towards the purchase of the remaining 10% interest. The Company must also incur exploration expenditures of \$300,000 by the fifth anniversary of the agreement. The optionor is a company controlled by a director of the Company.

In addition, the Company will issue 80,000 common shares (40,000 (issued) on closing and 40,000 on the first anniversary of the agreement) to a director of the Company.

4. MINERAL PROPERTIES (cont'd...)

Spokane property (cont'd...)

After the Company has earned a 90% interest, the remaining 10% interest can be acquired over a five year period by paying \$400,000 to the optionor and up to \$100,000 to a director of the Company.

The property is subject to a 1.5% NSR payable $\frac{1}{2}$ to the optionor and $\frac{1}{2}$ to a director of the Company. The NSR can be purchased by the Company over an 8 year period by paying \$250,000 to the optionor and \$250,000, at the Company's option, in cash or shares to a director of the Company.

Fortune property

In July 2005, the Company entered into an option agreement, as amended, to acquire a 90% interest in the Fortune property. As consideration, the Company is required to pay \$5,000 (paid) plus \$5,000 annually until the Company has acquired a 100% interest and issue 640,000 common shares (160,000 on closing (issued) and 160,000 on each of the first, second and third anniversary of the agreement). The annual \$5,000 payments can be credited towards the purchase of the remaining 10% interest. The Company must also incur exploration expenditures of \$200,000 by the fifth anniversary of the agreement. The optionor is a company controlled by the spouse of a director of the Company.

In addition, the Company will issue 80,000 common shares (40,000 on closing (issued) and 40,000 on the first anniversary of the agreement) to a director of the Company.

After the Company has earned a 90% interest, the remaining 10% interest can be acquired over a five year period by paying \$400,000 to the optionor and up to \$100,000 to a director of the Company.

The property is subject to a 1.5% NSR payable $\frac{1}{2}$ to the optionor and $\frac{1}{2}$ to a director of the Company. The NSR can be purchased by the Company over an 8 year period by paying \$250,000 to the optionor and \$250,000, at the Company's option, in cash or shares to a director of the Company.

Battlement property

In July 2005, the Company entered into an option agreement, as amended, to acquire a 90% interest in the Battlement property. As consideration, the Company is required to pay \$3,000 (paid) plus \$3,000 annually until the Company has acquired a 100% interest and issue 160,000 common shares (40,000 on closing (issued) and 40,000 on each of the first, second and third anniversary of the agreement). The annual \$3,000 payments can be credited towards the purchase of the remaining 10% interest. The Company must also incur exploration expenditures of \$150,000 by the fifth anniversary of the agreement. The optionor is a company controlled by the spouse of a director of the Company.

In addition, the Company will issue 20,000 common shares (10,000 on closing (issued) and 10,000 on the first anniversary of the agreement) to a director of the Company.

After the Company has earned a 90% interest, the remaining 10% interest can be acquired over a five year period by paying \$400,000 to the optionor and up to \$100,000 to a director of the Company.

4. MINERAL PROPERTIES (cont'd...)

Battlement property (cont'd...)

The property is subject to a 1.5% NSR payable $\frac{1}{2}$ to the optionor and $\frac{1}{2}$ to a director of the Company. The NSR can be purchased by the Company over an 8 year period by paying \$250,000 to the optionor and \$250,000, at the Company's option, in cash or shares to a director of the Company.

Magic Twin property

In July 2005, the Company entered into an option agreement, as amended, to acquire a 90% interest in the Magic Twin property. As consideration, the Company is required to pay \$5,000 (paid) plus \$5,000 annually until the Company has acquired a 100% interest and issue 480,000 common shares (120,000 on closing (issued) and 120,000 on each of the first, second and third anniversary of the agreement). The annual \$5,000 payments can be credited towards the purchase of the remaining 10% interest. The Company must also incur exploration expenditures of \$200,000 by the fifth anniversary of the agreement. The optionor is a company controlled by a director of the Company.

In addition, the Company will issue 60,000 common shares (30,000 on closing (issued) and 30,000 on the first anniversary of the agreement) to a director of the Company.

After the Company has earned a 90% interest, the remaining 10% interest can be acquired over a five year period by paying \$400,000 to the optionor and up to \$100,000 to a director of the Company.

The property is subject to a 1.5% NSR payable $\frac{1}{2}$ to the optionor and $\frac{1}{2}$ to a director of the Company. The NSR can be purchased by the Company over an 8 year period by paying \$250,000 to the optionor and \$250,000, at the Company's option, in cash or shares to a director of the Company.

Taylor Windfall

In April 2005, the Company acquired the Taylor Windfall property for \$15,000.

Galore claims

The Company also acquired certain mineral claims through staking at a nominal cost.

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2006

5. CAPITAL STOCK

	Number of Shares	Amount
Authorized		
100,000,000 common shares without par value		
Issued		
Initial share	1	\$ 1
Mineral properties	5,000,000	50,000
Private placements	1,000,000	10,000
Tax benefits renounced to flow-through share subscribers	-	(10,680)
Balance as at March 31, 2005	6,000,001	49,321
Private placements	4,050,000	868,000
Mineral properties	1,750,000	350,000
Tax benefits renounced to flow-through share subscribers	-	(163,328)
Share issuance costs	-	(4,500)
Balance as at March 31, 2006	11,800,001	\$ 1,099,493

Share issuances

During the year ended March 31, 2006, the Company:

- Issued 1,750,000 shares at a value of \$350,000 pursuant to mineral property option agreements.
- Issued 50,000 units at a cost of \$0.20 per unit for proceeds of \$10,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring April 29, 2007.
- Issued 100,000 units at a cost of \$0.20 per unit for proceeds of \$20,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring July 25, 2007.
- Issued 200,000 units at a cost of \$0.20 per unit for proceeds of \$40,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring June 3, 2007.
- Issued 50,000 units at a cost of \$0.20 per unit for proceeds of \$10,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.

5. CAPITAL STOCK (cont'd...)

Share issuances (cont'd...)

- f) Issued 50,000 units at a cost of \$0.10 per unit for proceeds of \$5,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.
- g) Issued 300,000 units at a cost of \$0.25 per unit for proceeds of \$75,000. Each unit consisted of one flow through common share, one warrant entitling the holder to purchase one additional common share at \$0.40 and one half warrant, each full warrant entitling the holder to purchase one additional common share at \$0.60. All warrants attached with this issuance expire the later of one year from the date of the Company listing on the TSX-V or two years from the date of the issuance.
- h) Issued 80,000 units at a cost of \$0.25 per unit for proceeds of \$20,000. Each unit consisted of one flow through common share, one warrant entitling the holder to purchase one additional common share at \$0.40 and one half warrant, each full warrant entitling the holder to purchase one additional common share at \$0.60. All warrants attached with this issuance expire the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.
- i) Issued 160,000 units at a cost of \$0.25 per unit for proceeds of \$40,000. Each unit consisted of one flow through common share and one half warrant, each full warrant entitling the holder to purchase one additional common share at \$0.40 expiring the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.
- j) Issued 300,000 units at a cost of \$0.10 per unit for proceeds of \$30,000. Each unit consisted of one flow through common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.
- k) Issued 275,000 units at a cost of \$0.20 per unit for proceeds of \$55,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring August 30, 2007.
- l) Issued 200,000 units at a cost of \$0.20 per unit for proceeds of \$40,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 per share expiring July 25, 2007.
- m) Issued 865,000 units at a cost of \$0.20 per unit for proceeds of \$173,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring September 23, 2007.
- n) Issued 100,000 units at a cost of \$0.20 per unit for proceeds of \$20,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at \$0.40 expiring the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.

5. CAPITAL STOCK (cont'd...)

Share issuances (cont'd...)

- o) Issued 1,320,000 units at a cost of \$0.25 per unit for proceeds of \$330,000. Each unit consisted of one flow through common share and one half warrant, each full warrant entitling the holder to purchase one additional common share at \$0.40 expiring the later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.

During the period ended March 31, 2005, the Company:

- a) Issued one incorporation share at a value of \$1.
- b) Issued 5,000,000 shares at a value of \$50,000 for mineral properties.
- c) Issued 1,000,000 shares at a value of \$0.01 for proceeds of \$10,000.

Escrowed shares

There are 6,456,001 common shares as of March 31, 2006 that are subject to an escrow agreement and will be released from escrow 10% upon completion of the Company's IPO and an additional 15% every six months thereafter. An additional 7,000 shares issued subsequent to March 31, 2006 are also subject to the escrow agreement.

Stock options

In 2006, the Company adopted a stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the Plan, the exercise price of each option granted must not be less than the market price of the Company's shares. Options granted under the Plan can have a term of up to 5 years with vesting provisions determined by the board of directors.

At the closing of the IPO, the Company proposes to grant 500,000 and 1,150,000 stock options exercisable at a price of \$0.10 and \$0.40 per share, respectively, for a period of 5 years from the date the Company's shares are listed for trading on the TSX-V.

GALORE RESOURCES INC.
(formerly TRW Resources Inc.)
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2006

5. CAPITAL STOCK (cont'd...)

Warrants

As of March 31, 2006, the following warrants were outstanding:

Number of Shares	Exercise Price	Expiry Date
50,000	\$ 0.40	April 29, 2007
100,000	0.40	July 25, 2007
200,000	0.40	June 3, 2007
1,320,000	0.40	Later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.
40,000	0.60	Later of one year from date of the Company listing on the TSX-V or two years from the date of issuance but in either case not later than December 31, 2007.
150,000	0.60	Later of one year from date of the Company listing on the TSX-V or two years from the date of issuance.
275,000	0.40	August 30, 2007
200,000	0.40	July 25, 2007
865,000	0.40	September 23, 2007
300,000	0.40	Later of one year from date of the Company listing on the TSX-V or two years from the date of issuance.

As of March 31, 2005 and for the period then ended, there were no warrants outstanding.

6. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year Ended March 31, 2006	Period From Formation on November 12, 2004 to March 31, 2005
Loss before income taxes	\$ (278,610)	\$ (50,664)
Expected income tax recovery	\$ 113,257	\$ 18,036
Non-deductible expenses	(66,870)	(7,857)
Recognized benefit of non-capital losses	<u>83,509</u>	<u>501</u>
Net future income tax recovery	\$ 129,896	\$ 10,680

6. INCOME TAXES (cont'd...)

The significant components of the Company's future income tax assets (liabilities) are as follows:

	2006	2005
Future income tax assets:		
Non-capital loss carryforwards	\$ 57,000	\$ 10,179
Future income tax (liabilities):		
Mineral properties	(90,432)	(1,817)
	(33,432)	8,362
Valuation allowance	-	(8,362)
Net future income tax assets (liabilities)	\$ (33,432)	\$ -

As at March 31, 2005, the Company had raised \$130,000 in flow-through subscriptions. The Company renounced \$30,000 of this amount resulting in a future income tax liability of \$10,680. This liability was offset against future income tax assets resulting in a future income tax recovery of \$10,680.

During the year ended March 31, 2006, the Company issued 2,160,000 flow-through common shares for gross proceeds of \$495,000. The Company renounced \$440,000 resulting in a future income tax liability of \$163,328. This liability was offset against future income tax assets resulting in a future income tax recovery of \$129,896.

The Company has available for deduction against future taxable income non-capital losses of approximately \$153,000. These losses, if not utilized, will expire through to 2016. Future tax benefits which may arise as a result of these non-capital losses have been offset by a valuation allowance and have not been recognized in these financial statements.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended March 31, 2005, the Company issued 5,000,000 shares at a value of \$50,000 towards the acquisition of mineral properties and incurred accounts payable of \$7,969 towards mineral property costs.

During the year ended March 31, 2006, the Company issued 1,750,000 shares at a value of \$350,000 towards mineral property option agreements and incurred accounts payable of \$48,699 towards mineral property costs and \$9,552 towards deferred financing costs. The Company also issued common shares with a value of \$150,000 in exchange for subscription proceeds of \$150,000 received in the prior fiscal period.

8. SEGMENTED INFORMATION

The Company conducts all of its operations in Canada in one business segment being the acquisition and exploration of mineral properties.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

10. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2006, the Company entered into the following transactions with related parties not disclosed elsewhere in these financial statements:

- a) Paid or accrued management fees of \$90,750 (2005 - \$3,000) to directors or companies controlled by directors.
- b) Paid or accrued a management bonus of \$20,000 (2005 - \$ nil) to a director.
- c) Paid or accrued rent of \$15,500 (2005 - \$Nil) to a company controlled by a director.
- d) Paid or accrued geophysical consulting fees of \$25,000 (2005 - \$Nil) to companies controlled by a director which have been recorded in mineral property costs.

Included in accounts payable at March 31, 2006 is \$46,700 (2005 - \$7,969) due to companies controlled by a director.

Effective June 2006, the Company entered into a management agreement with the President, CFO and director of the Company. Pursuant to the agreement, the Company has agreed to pay \$3,750 a month for management services to be increased to \$10,000 per month commencing September 1, 2006. The agreement expires on June 23, 2007 and can be terminated earlier on 30 days notice.

Effective March 2006, the Company entered into a management agreement with a company controlled by the CEO of the Company. Pursuant to the agreement the Company has agreed to pay \$20,000 on signing (paid), a monthly fee of \$5,500 and a \$20,000 bonus at the discretion of the Company in cash or stock options at the Company's IPO price. The term of the agreement is for five months.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. SUBSEQUENT EVENTS

- a) The Company issued 1,500,000 units at \$0.30 per unit for gross proceeds of \$450,000 pursuant to a brokered private placement. Each unit consisted of one common share and one-half share purchase warrant with each full warrant entitling the holder to purchase one additional common share at \$0.45 per share, expiring on the later of 15 months from the closing of the private placement or one year from the date the Company's common shares are listed on the TSX-V. The Agent received \$7,500 as a corporate finance fee, a commission plus costs totaling \$19,956 and 132,040 compensation options entitling the Agent to acquire units. The Agent options will be exercisable into units at price of \$0.30 per unit for two years from the closing of the private placement with the units having the same terms as the units sold pursuant to the private placement.
- b) The Company issued 650,000 common shares to related parties pursuant to the Northwest Copper mineral property option agreement.
- c) The Company reached a settlement agreement with a former director of the Company. Pursuant to the agreement 65,000 common shares held by the former director have been cancelled.
- d) The Company is in the process of filing a prospectus for an IPO on the TSX-V of 7,500,000 units at a price of \$0.40 per unit. Each unit is comprised of one common share and one-half share purchase warrant with each full warrant entitling the holder to purchase one common share at \$0.50, expiring one year from the closing of the IPO. The Agent will receive a commission equal to 8% of the gross proceeds raised, of which the Agent may elect to receive $\frac{1}{2}$ in Agents units with the same terms as above. The Agent will also receive compensation options entitling the Agent to acquire units equal to 15% of the units sold pursuant to the offering. The Agent's options will be exercisable at a price of \$0.40 per unit for two years from the closing of the offering. The Agent will also receive \$30,000 (\$10,000 paid) as a corporate finance fee, of which the Agent may elect to receive up to $\frac{1}{2}$ in units with the same terms as above, and will be reimbursed for all reasonable expenses and legal fees incurred in connection with the offering. The Agent has been paid an initial retainer of \$12,000 towards these expenses. Financing costs totaling \$31,552 have been incurred as at March 31, 2006 towards the offering.

The Company has granted the Agent an over-allotment option to offer up to an additional 1,125,000 units with the same terms as above.

CERTIFICATE OF GALORE RESOURCES INC.

Dated: July 12, 2006

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the *Securities Act* (British Columbia) , by Part 9 of the *Securities Act* (Alberta) and by Part XI of the *The Securities Act*, 1988 (Saskatchewan), and the respective regulations thereunder.

“Ray Torresan”

Ray Torresan, Chief Executive Officer

“Michael Byrne”

Michael Byrne, Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“John Hajek”

Director

“William J. Coulter”

Director

PROMOTER

“Michael Byrne”

Michael Byrne

CERTIFICATE OF THE AGENT

Dated: July 12, 2006

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta) and by Part XI of *The Securities Act, 1988* (Saskatchewan), and the respective regulations thereunder.

WOLVERTON SECURITIES LTD.

“Brent N. Wolverton”

Brent N. Wolverton