FORM 5

QUARTERLY LISTING STATEMENT

Name of CNQ Issuer: Nass Valley Gateway Ltd. (the "Issuer").

Trading Symbol: NVGL

SCHEDULE A: FINANCIAL STATEMENTS

The Interim financial statements for the second quarter ended June 30, 2007 are attached hereto as Schedule A.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

During the six months ended June 30, 2007:

a) The Company paid $11,054 (2006 - $900) to companies related by common directors for general and administrative expenses.

b) The Company paid $15,000 (2006 - $5,850) to a company related by common directors for providing management and administration services.

c) The Company paid $5,155 (2006 - $1,091) in office rent to a company related by common directors.

d) A director and an officer of the Company incurred $5,808 (2006 - $2,212) collectively for expenses on behalf of the Company. Of the amount, $3,928 (December 31, 2006 - $Nil) is outstanding and payable as at June 30, 2007.

e) The Company paid $400 (December 31, 2006 - $nil) on behalf of two companies related by common directors, of which all is outstanding and receivable by the Company as at June 30, 2007.

f) The Company paid $4,973 (2006 - $nil) in interest for loans received from companies with common directors of which all were re-paid.

2. Summary of securities issued and options granted during the period.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
May 31, 2007	Units (1) Flow Through	Private Placement	2,020,849	$0.37	$747,714.13	Cash		See Note 3
May 31, 2007	Units (2) Non Flow Through	Private Placement	1,240,454	$0.28	$347,327.12	Cash		See Note 3
			3,261,303		$1,095,041.25			

(1) Each Flow Through Unit consists of one common share and one-half of one common share purchase warrant. Each Whole Flow Through Warrant is exercisable for one additional common share at $0.50 per share for a period of one year from the date of closing.

(2) Each Non Flow Through Unit consists of one common share and one half common share purchase warrant. Each Whole Non Flow Through Warrant is exercisable for one additional common share at $0.40 per share for a period of one year from the date of closing.

(3) Finders fees of 7% payable by $25,147.50 in cash was paid to Blackmont Capital Corp.("Blackmont"), $24,496.48 in cash was paid to Canaccord Capital Corporation ("Canaccord"), $1,748.25 in cash was paid to Pacific Int'l Securities Inc ("Pacific") and, 114,000 warrants ("Broker Warrants") were issued to Blackmont, 94,581 Broker Warrants were issued to Canaccord, and 6,750 Broker Warrants were issued to Pacific. Each Broker Warrant will be exercisable to purchase one additional common share at $0.40 per Broker Warrant Share for a period of one year from the date of closing.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price Per Share	Expiry Date	Market Price on date of Grant(1)
May 4, 2007	15,000	Nelson Clayton	Member of Advisory Commitee	$0.31	May 4, 2012	$0.31
May 4, 2007	15,000	Chester Moore	Member of Advisory Commitee	$0.31	May 4, 2012	$0.31
May 4, 2007	15,000	Willard Martin	Member of Advisory Commitee	$0.31	May 4, 2012	$0.31
	45,000					

3. Summary of securities as at the end of the reporting period.

a) Common shares

Authorized: An unlimited number of common shares without par value.

	Number of shares	Amount
Balance, December 31, 2006	**14,500,000**	**$ 122,862**
Exercise of special warrants (Note 5(b))	3,600,000	540,000
Share issuance costs	-	(63,000)
Acquisition of mineral property	600,000	222,000
	4,200,000	**699,000**
Balance, March 31, 2007	**18,700,000**	**821,862**
Private placement		
− Flow through [Note 5 (c)]	2,020,849	745,693
− Non-flow through [Note 5 (c)]	1,240,454	346,087
Share issuance costs	-	(51,392)
Balance, June 30, 2007	**21,961,303**	**$ 1,862,250**

b) The following is a summary of options, warrants and convertible securities outstanding as at the second quarter ended June 30, 2007.

	No. of Shares under Option/Warrants	Exercise Price	Expiry Date
Options	861,600	$0.15	January 31, 2012
Options	45,000	$0.31	May 4, 2012
Warrants	50,000	$0.15	March 1, 2008
Warrants	620,226	$0.40	May 31, 2008
Broker Warrants	215,331	$0.40	May 31, 2008
Warrants	1,010,422	$0.50	May 31, 2008

c) The following is a summary of the number of shares subject to escrow or pooling agreements or any other restriction on transfer.

Name	No. of Escrowed Common Shares	No. of Escrowed Common Shares as at June 30, 2007
Mineral Hill Industries Ltd.	7,250,000	6,525,000
Gitxat'in Development Corporation	7,250,000	6,525,000
Total	14,500,000	13,050,000

Pursuant to an agreement (the "Escrow Agreement") dated as of August 11, 2006 among the Corporation, Pacific Corporate Trust Company (the "Escrow Agent") and the Principals of the Corporation, the Principals agreed to deposit in escrow their Common Shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that the Escrowed Securities will be released from escrow in equal blocks at 6 month intervals over the 36 months following the date the Corporation's Common Shares are listed on the CNQ (that is 15% of each Principal's holdings being released in each block with an initial

10% block being released on the date the Corporation's Common Shares are listed on the CNQ).

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

The Directors and Officers as at the date of this report are:

Dieter Peter, Chairman & CEO and a Director

Melvin Stevens, President and Director

Hugh Maddin, Director

Patrick Stewart, Director

Edward Skoda, Vice President, Exploration and Director

Peter Kohl, VP & CFO

Josephine See, Vice President, Corporate Affairs, Treasurer & Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the quarter ended June 30, 2007 is attached hereto as Schedule C.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 17, 2007

Dieter Peter

Name of Director or Senior Officer

"*Dieter Peter*"

Signature

Chairman & CEO

Official Capacity

Issuer Details Name of Issuer Nass Valley Gateway Ltd.	For Quarter Ended June 30, 2007	Date of Report YY/MM/DD 2007/08/17
Issuer Address 575-1111 West Hastings Street		
City/Province/Postal Code Vancouver, B.C. V6E 2J3	Issuer Fax No. (604) 685-2360	Issuer Telephone No. (604) 685-4170
Contact Name Dieter Peter	Contact Position Chairman & CEO	Contact Telephone No. (604) 685-4170
Contact Email Address dpeter@3xgmm.com	Web Site Address www.nass-valley.com	

SCHEDULE A

NASS VALLEY GATEWAY LTD.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

SIX MONTHS ENDED

JUNE 30, 2007 AND 2006

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NASS VALLEY GATEWAY LTD.

(An Exploration Stage Company)

BALANCE SHEETS

(stated in Canadian dollars)

		June 30, 2007 (Unaudited)		December 31, 2006 (Audited)
ASSETS				
Current Assets				
Cash and equivalents	$	473,993	$	341,570
GST recoverable		40,378		5,809
Amounts receivable from related parties (Note 6(e))		400		15,000
Prepaid expenses		8,250		10,741
		523,021		373,120
Reclamation bond		3,000		3,000
Property, plant & equipment (Note 4)		4,646		5,255
Mineral property (Note 3(a))		297,000		-
Deferred exploration costs (Note 3(a))		591,025		-
	$	1,418,692	$	381,375
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	$	23,109	$	83,322
Accounts payable to related parties (Note 6(d))		3,928		-
		27,037		83,322
Shareholders' equity				
Share capital (Note 5(a) and (b))		1,862,250		122,862
Share subscriptions (Note 5(b))		-		477,000
Contributed surplus (Note 5(g))		62,889		-
Deficit		(533,484)		(301,809)
		1,391,655		298,053
	$	1,418,692	$	381,375

Nature of Operations and Continuance of Business (Note 1)
Subsequent Events (Note 9)

Approved on Behalf of the Board:

"Dieter Peter" — Dieter Peter, Director

"Melvin Stevens" — Melvin Stevens, Director

(The accompanying notes are an integral part of these Financial Statements)

NASS VALLEY GATEWAY LTD.

(An Exploration Stage Company)

STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited)

(stated in Canadian dollars)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2007	2006	2007	2006
Expenses				
Accounting and legal	$ 11,145	$ 8,086	$ 47,094	$ 8,435
Amortization	323	-	609	-
Consulting	15,688	-	15,688	-
Generative exploration	16,429	-	36,544	6,368
Interest and bank charges	5,287	162	5,536	177
Investor relations	2,059	-	7,059	-
Office, rent and telephone	19,646	788	24,147	5,984
Stock based compensation	19,190	-	59,628	-
Transfer agent and filing fees	18,112	2,000	20,774	2,000
Travel and promotion	12,818	4,643	17,269	10,558
Loss before other items	(120,697)	(15,679)	(234,348)	(33,522)
Other items				
Interest income	338	-	2,673	-
Net income (loss) for the period	(120,359)	(15,679)	(231,675)	(33,522)
Deficit, beginning of the period	(413,125)	(35,436)	(301,809)	(17,593)
Deficit, end of the period	(533,484)	(51,115)	(533,484)	(51,115)
Net loss per shares, basic and diluted	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted Average Number of Shares Outstanding	19,488,447	14,500,000	17,657,727	14,370,166

(The accompanying notes are an integral part of these Financial Statements)

NASS VALLEY GATEWAY LTD.

(An Exploration Stage Company)

STATEMENTS OF CASH FLOWS

(Unaudited)

(stated in Canadian dollars)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2007	2006	2007	2006
Cash Flows From Operating Activities				
Income (loss) for the period	$ (120,359)	$ (15,679)	$ (231,675)	$ (33,522)
Items not affecting cash:				
Amortization	323	-	609	-
Stock based compensation	19,190	-	59,628	-
Changes in non-cash working capital items:				
Decrease (increase) in accounts receivables	(17,210)	-	(34,569)	-
Decrease (increase) in accounts receivables to related parties	14,600		14,600	
Decrease (increase) in prepaid expenses	9,250	(1,448)	2,491	(1,448)
Increase (decrease) in accounts payable and accrued liabilities	(293,044)	(11,981)	(60,213)	(749)
Increase (decrease) in accounts payables to related parties	2,399	5,922	3,928	5,922
	(384,851)	(23,185)	(245,201)	(29,797)
Cash Flows From Financing Activities				
Proceeds from issuance of share capital	1,091,780	68,625	1,313,780	158,625
Issuance cost	(51,392)	-	(51,392)	-
Proceeds from issuance of warrants	3,261		3,261	
	1,043,649	68,625	1,265,649	158,625
Cash Flows From Investing Activites				
Acquisition of leasehold imporvements	-	-	-	(2,260)
Acquisition of mineral property	-	-	(297,000)	-
Deferred exploration costs	(254,423)	-	(591,025)	-
	(254,423)	-	(888,025)	(2,260)
Increase In Cash and Equivalents	404,375	45,440	132,423	126,568
Cash and Equivalents, Beginning Of The Period	69,618	104,226	341,570	23,097
Cash and Equivalents, End Of The Period	$ 473,993	$ 149,665	$ 473,993	$ 149,665

Supplemental disclosures with respect to cash flows (Note 8)

(The accompanying notes are an integral part of these Financial Statements)

NASS VALLEY GATEWAY LTD.

(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Nass Valley Gateway Ltd. ("the Company") was incorporated on October 25, 2005 under British Columbia Business Corporations Act.

The Company is an exploration company engaged in the acquisition, exploration and development of rock quarry properties primarily in Canada. As at June 30, 2007, the Company has an accumulated deficit of $533,484 (2006 - $301,809) and has not earned revenue since its inception. The Company is in the process of exploring its rock quarry properties and has not yet determined whether these properties contain rock reserves that are economically recoverable. The recoverability of the carrying amounts of rock quarry properties are dependent upon the discovery of economically recoverable reserves, confirmation to the Company's interests in the properties, the ability to obtain the necessary financing to complete exploration and development of a viable quarry, and achieving future profitable production of rock products or selling its rock quarry properties for proceeds in excess of carrying amounts. Based on the above factors, these financial statements have been prepared on the basis of accounting principles applicable to a going concern, and accordingly, do not purport to give effect to adjustments which may be required should the Company be unable to achieve the objectives above as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles. The Company's fiscal year end is December 31.

b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses for the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Actual results could differ from these estimates. Significant areas requiring the use of estimates are estimation of accrued liabilities, computation of stock-based compensation and amortization.

c) Financial instruments

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments – Disclosure and Presentation and Section 3865, Hedges, retroactively without restatement. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial instruments (continued)

Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with generally accepted accounting principles. Under the new standards, policies followed fore periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook sections had no impact on opening deficit.

Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recorded in net income.

Upon adoption of these new standards, the Company designates its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable and income taxes receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities, due to/from related parties and joint venture partners are classified as other financial liabilities. The Company had neither available-for-sale, nor held-to-maturity instruments during the six months ended June 30, 2007.The Company had no “other comprehensive income or loss” transactions during the six months ended June 30, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

d) Cash and equivalents

The Company considers cash to include amounts held in banks and highly liquid investments with maturities at point of purchase of three months or less. The Company places its cash and cash equivalent investments with institutions of high credit worthiness.

e) Flow through shares

The Company has adopted EIC-146, which is effective for all the flow-through share transactions initiated after March 19, 2004. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and share capital is reduced.

If the Company has sufficient unused tax loss carry forwards or other future income tax assets to offset all or part of this future income tax liability, and no future income tax assets have previously been recognized for these items, a portion of such future income tax assets is recognized as income up to the amount of the future income tax liability recognized on the renounces expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Property and equipment

Property and equipment are carried at cost less amortization. Amortization is calculated using the straight-line method at an annual rate of 20%. Amortization is provided in the year of acquisition at one-half of the annual rate.

g) Mineral property interests and project development costs

All costs related to the acquisition of rock quarry properties are capitalized by property. All costs related to the exploration and development of rock quarry properties or projects under development are capitalized until such time as final feasibility decisions with respect to each property or project are made or until events or circumstances indicate that the criteria for deferral of such costs are no longer met for particular properties. If a final decision is made to develop a property or project, related exploration and development costs of the related property are reclassified as rock quarry assets and amortized using the units of production method. When a property or project is abandoned or no longer meets the criteria for deferral of development costs, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property or project is impaired, that property or project is written down to its estimated net realizable value. Rock quarry projects are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.

The recoverability of exploration and development costs is dependent on the existence of economically recoverable quarry reserves and the ability to obtain the necessary financing to complete the development of such quarry reserves and the success of future operations. The Company has not yet determined whether or not any of its rock quarry properties contain economically recoverable rock.

h) Impairment of long-lived assets

The recoverability of long-lived assets, which includes the rock quarry properties and deferred exploration costs, is assessed when an event occur indicating possible impairment. Recoverability is based on factors such as future asset utilization and the future undiscounted cash flows expected to result from the use or sale of the related assets. An impairment loss is recognized in the period when it is determined that the carrying amount of assets will not be recoverable. At that time, the carrying amount is written down to fair value. To June 30, 2007, there have been no impairments of long-lived assets.

i) Asset retirement obligations

The Company recognizes asset retirement obligations for all legal liabilities for obligations relating to retirement of property, plant and equipment, arising from the acquisition, construction, development, or the normal course of operations of those assets. Asset retirement costs are recognized at fair value, when a reasonable estimate of fair value can be made, in the period in which it is incurred. Asset retirement obligations are accreted to the carrying value of the related asset, and amortized together with the asset. The asset retirement obligations are reduced as the restoration work is performed.

As at June 30, 2007, the Company does not have any asset retirement obligations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Stock-based compensation

The Company has a stock option plan as described in Note 5. The company applies the fair value method for stock based compensation granted to employees, non-employees and for all direct awards of stocks. The fair value of stock options is determined by the Black Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

k) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax basis of existing assets and liabilities, and are measured using the enacted tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset unless it is more likely than not that the future income tax asset will be realized.

l) Loss per share

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

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 earnings per share is recognized for any proceeds that could be obtained upon the exercise of options, warrants and similar instruments. This method assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per shares is not presented when the effect of this computation is anti-dilutive

3. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS

a) Nass Bay Project

On March 10, 2006, the Company entered into Agreements with Gitxat'in Mhind World Link Ltd. (the "Optionor"), a company with common directors, whereby the Company acquired the right to purchase up to a 75% interest in certain mineral claims located in Nass Bay, BC. To earn the 75% interest, the Company, at its option, must make payments, issue shares, and incur exploration expenditures as follows:

Cash Payments	Common Shares	Cumulative expenditures	Date
$ 75,000	-	-	Upon filing of a final prospectus by the Company (paid)
-	200,000	$ 200,000	Within one year of the Company filing a final prospectus (issued; incurred)
$ 100,000	250,000	$ 300,000	Within two years of the Company filing a final prospectus
$ 125,000	300,000	$ 500,000	Within three years of the Company filing a final prospectus
$ 300,000	**750,000**	**$ 1,000,000**	

On January 31, 2007, the shareholders of the Company approved a subdivision (the "Subdivision") of the Company's issued common shares on the basis of three (new) shares for every one (old) share which increased the number of common shares payable to the Optionor from 750,000 common shares to 2,250,000 common shares.

On February 26, 2007, the Company filed a final prospectus with the British Columbia Securities Commission.

On March 5, 2007, the Company made a payment of $75,000 under the terms of the Agreements.

On March 15, 2007, the Company issued 600,000 shares to the Optionor in accordance with the terms of the Agreements and the Subdivision.

During the period ended June 30, 2007, the Company incurred $591,025 in exploration expenditures.

After making the required payments, share issuances and exploration expenditures for the first two years, the Company will have earned a 40% interest, and can elect to make no further payments, in which case the Optionor will have the option to buy back the 40% interest by paying the Company 150% of its cash expenditures.

3. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS (continued)

a) Nass Bay Project (continued)

Acquisition costs of the mineral property as of June 30, 2007 are:

Balance, December 31, 2006	$	-
Cash payment		75,000
Issuance of shares (600,000 common shares @ $0.37 per share)		222,000
Balance, June 30, 2007	**$**	**297,000**

Cumulative exploration costs on Nass Bay project as of June 30, 2007 are:

	Cumulative to December 31, 2006 $	Capitalized Expenditures during the period $	Cumulative to June 30, 2007 $
Consulting	35,500	28,415	63,915
Contracted services	3,275	30,650	33,925
Surveying	5,000	4,730	9,730
Aircraft charter	11,655	93,243	104,898
Travel and lodging	22,150	22,856	45,006
Geology and mapping	8,916	21	8,937
Exploration supplies	41,363	9,738	51,101
Reports and drafting	5,355	-	5,355
Drilling	10,000	419,245	429,245
Filing, recording and assessment	-	335	335
Others	5,620	-	5,620
			-
	148,834	609,232	758,066
Write-off: Pre-feasibility expenses	(148,834)	(18,207)	(167,041)
	-	591,025	591,025

3. MINERAL PROPERTY AND DEFERRED EXPLORATION COSTS (continued)

b) Kleanza Mountain Project

On May 9, 2007, the Company announced that it has entered into an option agreement (the "Agreement") with Georgilas Investments Ltd. (the "Optionor"), pursuant to which the Company has the right to earn up to 70% interest, subject to a 2% Net Smelter Return payable to the Optionor, in certain mineral claims in the Terrace area of British Columbia to explore a historic copper-silver prospect. To earn the 70% interest, the Company or a new wholly owned subsidiary, at its option, must make payments and issue shares to the Optionor, and incur exploration expenditures as follows:

Cash Payments	Common Shares	Cumulative expenditures	Date
$ 15,000	-	-	Upon approval by the regulatory authorities ("effective date"); (July 1, 2007;paid)
-	50,000	$ 150,000	Within one year of the effective date
$ 25,000	-	-	One day after the first anniversary date
	75,000	$ 500,000	Within two years of the effective date
$ 35,000	-	-	One day after the second anniversary date
-	150,000	$ 1,000,000	Within three years of the effective date
$ 75,000	**275,000**	**$ 1,650,000**	

4. PROPERTY, PLANT AND EQUIPMENT

	2007			2006		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Leasehold Improvements	**$ 2,260**	**$ 678**	**$ 1,578**	$ 2,260	$ 452	$ 1,808
Equipment	**3,830**	**766**	**3,064**	3,830	383	3,447
	$ 6,090	**$ 1,444**	**$ 4,646**	$ 6,090	$ 885	$ 5,255

5. SHARE CAPITAL

b) Common shares

Authorized: An unlimited number of common shares without par value.

	Number of shares	Amount
Balance, December 31, 2006	**14,500,000**	**$ 122,862**
Exercise of special warrants (Note 5(b))	3,600,000	540,000
Share issuance costs	-	(63,000)
Acquisition of mineral property	600,000	222,000
	4,200,000	**699,000**
Balance, March 31, 2007	**18,700,000**	**821,862**
Private placement		
− Flow through [Note 5 (c)]	2,020,849	745,693
− Non-flow through [Note 5 (c)]	1,240,454	346,087
Share issuance costs	-	(51,392)
Balance, June 30, 2007	**21,961,303**	**$ 1,862,250**

c) Exercise of special warrants

On June 9, 2006, the Company authorized the issuance of up to 1,200,000 special warrants at a price of $0.45 per special warrant. Each special warrant entitled the holder, upon exercise thereof without payment of any additional consideration to be issued one common share of the Company during the period commencing on the date of issue of the special warrants and ending on the earlier of twelve months from the date of issue or the fifth day after which a receipt is issued for a final prospectus by the British Columbia Securities Commission qualifying the issuance of common shares of the Company on exercise or deemed exercise of special warrants. The shares issued upon exercise of the special warrants are subject to a four-month statutory hold period commencing on the date of distribution.

On February 26, 2007, a receipt was issued for the final prospectus qualifying the issuance of common shares of the Company on exercise or deemed exercise of 1,200,000 special warrants and the holder received 3,600,000 shares under the approved subdivision of the issued common shares on the basis of three (new) shares for every one (old) share.

5. SHARE CAPITAL (continued)

c) Private placement

In June 2007, the Company completed a private placement of 2,020,849 flow through units at $0.37 per unit (“FT-Unit”) and 1,240,454 non-flow through units at $0.28 per unit (“NFT-Unit”) for total gross proceeds of $1,095,041. Each unit consist of one common share (FT-unit $0.369 and NFT-Unit $0.279) and one-half common share purchase warrant with an allotted valued of $0.001. Each whole NFT-Unit warrant is exercisable for one additional common share at $0.40 per share, and each FT-Unit warrant is exercisable for one additional common share at $0.50 per share for a period of one year from the date of closing. Finder fees of $51,392 were paid and 215,331 broker warrants were issued, which will entitle the holder to purchase an additional common shares at a price of $0.40 until June 6, 2008. All securities are subject to a hold period until October 1, 2007. See Note 5(e) with respect to the outstanding share purchase warrants.

d) Escrowed common shares

Pursuant to an agreement (the “Escrow Agreement”) dated as of August 11, 2006 among the Corporation, Pacific Corporate Trust Company (the “Escrow Agent”) and the Principals of the Corporation, the Principals agreed to deposit in escrow their Common Shares (the “Escrowed Securities”) with the Escrow Agent. The Escrow Agreement provides that the Escrowed Securities will be released from escrow in equal blocks at 6 month intervals over the 36 months following the date the Corporation's Common Shares are listed on the CNQ (that is 15% of each Principal’s holdings being released in each block with an initial 10% block being released on the date the Corporation's Common Shares are listed on the CNQ).

14,500,000 common shares were held in escrow of which 1,450,000 have been released.

e) Stock options

The Company grants stock options to employees, directors, officers, and consultants as compensation for services pursuant to its Stock Option Plan (the “Plan”). Options issued pursuant to the Plan must have an exercise price greater than or equal to the “Market Price” of the Company’s stock on the grant date less applicable discounts. Options have a maximum expiry period of up to five years from the grant date and are subject to the minimum vesting requirements, as determined by the Board of Directors. The number of options that may be issued under the Plan is limited to no more than 10% of the Company’s issued and outstanding shares on the grant date.

During the six months ended June 30, 2007, 862,200 options at an exercise price of $0.15 and 45,000 options at an exercise price of $0.31 were granted and 600 options at an exercise price of $0.15 were cancelled.

5. SHARE CAPITAL (continued)

e) Stock options (continued)

The following table summarizes the continuity of the company's stock options:

Expiry Date	Exercise Price $	December 31, 2006	Issued	Exercised	Expired/ Cancelled	June 30, 2007
January 31, 2012	0.15	–	862,200	–	(600)	861,600
May 4, 2012	0.31	–	45,000	–	–	45,000
		–	907,200	–	(600)	906,600

Information regarding options outstanding as at June 30, 2007 is as follows:

Exercise Price	No. of Options Outstanding	Weighted Average Remaining Contractual life (years)	No. of Options Exercisable
$ 0.15	861,600	4.50	315,500
$ 0.31	45,000	4.50	22,500
	906,600	4.50	338,000

Stock-based Compensation

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. Total fair value of stock options vested during the six months ended June 30, 2007 was $59,628 (2006: $Nil).

The following assumptions were used for the Black-Scholes method of valuation of the stock options granted during the period:

	2007
Risk-free interest	4.25 – 4.56%
Expected dividend yield	–
Expected stock price volatility	35 – 111%
Expected option life in years	3

Option pricing models require the input of highly subjective input assumptions, which can materially affect the fair value estimate and therefore the existing models do not necessarily provide reliable single measure of the fair value of the Company's stock options.

5. SHARE CAPITAL (continued)

f) Share Purchase Warrants

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price $	December 31, 2006	Issued	Exercised	Expired	June 30, 2007
March 1, 2008	0.15	–	50,000	–	–	50,000
May 31, 2008	0.40	–	835,557	–	–	835,557
May 31, 2008	0.50	–	1,010,422	–	–	1,010,422
		–	1,895,979	–	–	1,895,979

g) Contributed Surplus

The following table summarizes the continuity of the company's contributed surplus.

	Amount $
December 31, 2006	–
Fair value of stock options vested	43,522
Fair value of agent warrants	16,106
Warrants valuation	3,261
	62,889

6. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2007:

g) The Company paid $11,054 (2006 - $900) to companies related by common directors for general and administrative expenses.

h) The Company paid $15,000 (2006 - $5,850) to a company related by common directors for providing management and administration services.

i) The Company paid $5,155 (2006 - $1,091) in office rent to a company related by common directors.

j) A director and an officer of the Company incurred $5,808 (2006 - $2,212) collectively for expenses on behalf of the Company. Of the amount, $3,928 (December 31, 2006 - $Nil) is outstanding and payable as at June 30, 2007

k) The Company paid $400 (December 31, 2006 - $nil) on behalf of two companies related by common directors, of which all is outstanding and receivable by the Company as at June 30, 2007.

l) The Company paid $4,973 (2006 - $nil) in interest for loans received from companies with common directors of which all were re-paid.

7. INCOME TAXES

In assessing future income tax assets, management considers whether it is more likely than not that some portion or all of the future income tax assets will be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and providing a valuation allowance.

The nature and effect of the Company's future income tax assets is as follows:

	2006	**2005**
	$	**$**
Non capital losses carried forward	139,800	14,800
Mineral cost pools in excess of capitalized costs	161,300	3,000
Capital assets	800	-
Share issuance costs	54,900	900
	356,800	18,700
Statutory tax rate	34.12%	34%
	121,740	6,358
Less: Valuation allowance	(121,740)	(6,358)
Net future tax asset	-	-

As at December 31, 2006, the Company had non-capital losses of approximately $139,800 to carry forward to reduce future years' taxable income, expiring as follows:

2015	$	14,800
2026	$	125,000

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the period ended June 30, 2007, the Company issued 600,000 common shares to the Optionor of the Nass Bay Project with a market price of $0.37 per share (Note 3(a)). The Company accounted for a fair market value of $222,000 on acquisition cost of mineral property.

9. SUBSEQUENT EVENTS

In July, 2007, the Company paid $15,000 to the Optionor of the Kleanza Mountain Project according to the Agreement (Note 3(b)).

Management Discussion and Analysis ("MD&A") is intended to help the reader understand Nass Valley Gateway Ltd.'s ("NVGL" or the "Company") interim financial statements. The information herein should be read in conjunction with the unaudited financial statements for the period ended June 30, 2007 and audited financial statements for the year ended December 31, 2006. The following discussion may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on factors and variables beyond management control. All monetary amounts are in Canadian dollars unless otherwise stated.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management regularly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and to review general information.

Description of Business and Overall Performance

Nass Valley Gateway Ltd. ("NVGL") was incorporated on October 25, 2005 under the British Columbia Business Corporation Act. The Company became a reporting issuer on February 26, 2007 and the common shares of the Company were listed on the CNQ Stock Exchange on March 9, 2007 under the trading symbol 'NVGL'.

NVGL is a natural resource exploration company engaged in Vancouver, British Columbia in the exploration for industrial and metallic minerals in the Province of British Columbia.

On May 31, 2007, the Company completed a private placement of 2,020,849 flow through units at $0.37 per unit ("FT-Unit") and 1,240,454 non-flow through units at $0.28 per unit ("NFT-Unit") for total gross proceeds of $1,095,041. Each unit consist of one common share (FT-Unit $0.369 and NFT-Unit $0.279) and one-half common share purchase warrant with an allotted valued of $0.001. Each whole NFT-Unit warrant is exercisable for one additional common share at $0.40 per share, and each FT-Unit warrant is exercisable for one additional common share at $0.50 per share for a period of one year from the date of closing. Finder fees of $51,392 were paid and 215,331 broker warrants were issued, which will entitle the holder to purchase an additional common shares at a price of $0.40 until May 31, 2008. All securities are subject to a hold period until October 1, 2007.

The Company currently has options to acquire two mineral properties in British Columbia (BC):

(a) Nass Bay Project

On March 10, 2006, the Company entered into an option agreement ("OA#1") with Gitxat'in Mhind World Link Inc. (the "Optionor"), pursuant to which the Company was granted an option to purchase up to 75% interest of the Optionor's interest in the Nass Bay Project, situated in the Nisga'a Nation's lands in northern coastal British Columbia. Gitxat'in Mhind World Link Inc. ("GMWL") is a non reporting company of which 50% of its common shares are owned by Gitxat'in Development Corporation ("GDC") and 50% by Mineral Hill Industries Ltd. ("MHI"). GDC has the right to redeem 1% of MHI's 50% share holdings in GMWL. Nass Bay project is a construction aggregate project and the project area is approximately 150 hectares in size. The Nass Bay Project is not a conventional mineral tenure since it is situated in the Nisga'a Nation's lands. The Nisga'a Nation owns exclusively all mineral rights within their lands.

As at June 30, 2007, the company paid a total of $75,000 cash, issued 600,000 shares and incurred $591,025 of exploration expenditures.

(b) Kleanza Mountain Project

On May 9, 2007, the Company entered into an option agreement ("OA#2") pursuant to which the Company has the right to earn up to 70% interest in mineral claims in the Terrace area of British Columbia ("Kleanza Mountain Project"). Under the agreement the Company may acquire a 70% interest by issuing the Optionor 275,000 common shares ("Earn-Out Shares") in its capital and cash payments of the sum of $75,000 over three years and by incurring cumulative mineral expenditure of $1,000,000 over the three years period. Under the terms of the agreement, the Company has to establish a wholly owned subsidiary, Kleanza Mountain Resources Ltd ("KMRL") for the purpose of performing the exploration program. In establishing KMRL, the Company has the possibility of acquiring 100% of the Kleanza Mountain Project by making the decision to take KMRL eventually public on a Canadian Venture Stock Exchange and granting the Optionor the right to acquire 30% of KMRL's to be issued Founder Shares. Depending when the aforesaid decision is being made by the Company, KMRL would have to issue the balance of the Earn-Out Shares to the Optionor. NVGL has the right to acquire 70% of the, to be issued Founder Shares of the share capital of KMRL.

The Kleanza Mountain Project is a historic copper-silver prospect, formerly known as the Lucky Jim Group or Alvija claims. The proposed Phase I 2007 exploration program of Kleanza Mountain Project commenced in July 2007.

In July, 2007, the Company paid $15,000 to the Optionor of the Kleanza Mountain Project in accordance with the terms of the agreement. The Company also established under British Columbia Business Corporations Act, a wholly owned subsidiary named Kleanza Mountain Resources Ltd. ("KMRL"), formerly known as LogX Frontier Networks Inc., and is in the process of assigning all rights and obligations in respect to the acquisition of the Kleanza Mountain Project to KMRL.

Results of Operations

Selected Annual Information

	Year ended December 31, 2006	Year ended December 31, 2005
	$	$
Total revenues	-	-
General and administrative	286,817	17,593
Income (loss) for the year	(284,216)	(17,593)
Income (loss) per share – basic	(0.02)	(0.00)
Income (loss) per share – diluted	(0.02)	(0.00)
Total assets	381,375	23,307
Total long –term liabilities	-	-
Shareholder's equity	298,053	15,269
Cash dividends declared - per share	-	-

Selected Quarterly Information (Unaudited)

Three months ended	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
	$	$	$	$	$	$
Total assets	1,418,693	766,858	381,375	537,381	151,925	106,486
Resource properties and deferred costs	888,025	633,602	-	-	-	-
Working capital (deficiency)	495,984	(192,397)	289,798	509,169	136,665	85,166
Shareholders' equity	1,391,655	449,175	298,053	512,892	138,925	87,426
Revenues	Nil	Nil	Nil	Nil	Nil	Nil
Net Profit/(Loss)	(120,359)	(111,316)	(284,216)	(53,167)	(15,679)	(17,593)
Earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)

The Company has not paid any dividends on its common shares. Presently, the Company has no intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Six months ended June 30, 2007 compared to six months ended June 30, 2006:

Net loss for six months ended June 30, 2007 was $231,675 (loss per share - $0.01) compared to $33,522 (loss per share - $0.00) for the six months ended June 30, 2006. The Company has not generated any revenue since inception. The major expenses incurred during the six months ended June 30, 2007 includes:

1. Accounting and legal expense of $47,094 (2006 -$8,435) representing a $38,659 increase from 2006 arising from the Company preparing a prospectus to qualify the distribution of 3,600,000 common shares issuable upon the exercise of 1,200,000 previously issued special warrants and the private placement done during the period.
2. Consulting expenses of $15,688 (2006 -$Nil) representing a $15,688 increase as consultants were hired during the period.
3. Generative exploration expense of $36,544 (2006 -$6,368) representing a $30,176 increase from 2006 due to the Company's due diligence and reconnaissance efforts related to the Nass Bay Project.
4. Interest and bank charges of $5,536 (2006 -$177) representing a $5,359 increase due to the interest on short term loans.
5. Investor relations expense of $7,059 (2006 - $Nil) representing a $7,059 increase due to the Company's efforts in relation to its initial public offering.
6. Transfer agent and filing fees of $20,744 (2006 - $2,000) representing a $18,744 increase due to the Company preparing its prospectus for its initial public offering and the private placement done during the period.
7. Stock based compensation expense of $59,628 (2006 - $Nil) representing a $59,628 increase due to the Company's grant of stock options.

During the six months ended June 30, 2007, $609,232 was spent on the exploration expenditures (2006 - $Nil). The Company spent $419,245 on drilling, $93,243 on aircraft charter rental, $30,650 on contracted services, $28,415 on geologist consulting services and $22,856 on travel and lodging.

Three months ended June 30, 2007 compared to three months ended June 30, 2006:

During the three months ended June 30, 2007, the Company's net loss totaled $120,359 (loss per share - $0.01) compared to a net loss of $15,679 (loss per share - $0.00) for the three months ended June 30, 2006.

During the three months ended, the Company incurred the following expenses: consulting fees of $15,688 (2006 - $Nil), generative exploration of $16,429 (2006 - $Nil), office, rent and telephone of $19,646 (2006 - $788) and transfer agent and filing fees of $18,112 (2006 - $2,000).

Liquidity

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. As of August 17, 2007, the Company's working capital was $419,212.

The 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.

	June 30, 2007	December 31, 2006
Working capital (deficiency)	495,984	289,798
Deficit	(533,484)	(301,809)

Net cash from operating activities for the six months period ended June 30, 2007 was $245,201 compared to net cash used of $29,797 during the six months period ended June 30, 2006, mainly due to a decrease of accounts payable of $60,213 compared to December 31, 2006, which has been paid down subsequent to June 30, 2007.

Net cash used for investing activities for the six months period ended June 30, 2007 was $888,025 compared to net cash used for investing activities of $2,260 during the six months period ended June 30, 2006.

Net cash received from financing activities for the six months period ended June 30, 2007 was $1,265,649 compared to $158,625 during the six months period ended June 30, 2006.

Capital Resources

As at June 30, 2007, the Company had share capital, (including share subscriptions and contributed surplus) totaling $1,913,728, representing 21,961,303 common shares without par value, and a deficit of $522,073, resulting in a shareholder's equity of $1,391,655 (December 31, 2006 - $298,053). The Company's working capital surplus as at June 30, 2007 was $495,984 (December 31, 2006 – working capital of $289,798).

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's Statement of Operations and Deficit included in its Financial Statements for the six months period ended June 30, 2007 and 2006, and its prospectus filed February 26, 2007, which is available on SEDAR at 'www. sedar .com'.

Related Party Transactions

The Company entered into the following transactions with related parties during the six months ended June 30, 2007:

a) The Company paid $11,054 (2006 - $900) to companies related by common directors for general and administrative expenses.

b) The Company paid $15,000 (2006 - $5,850) to a company related by common directors for providing management and administration services.

c) The Company paid $5,155 (2006 - $1,091) in office rent to a company related by common directors.

d) A director and an officer of the Company incurred $5,808 (2006 - $2,212) collectively for expenses on behalf of the Company. Of the amount, $3,928 (December 31, 2006 - $Nil) is outstanding and payable as at June 30, 2007

e) The Company paid $400 (December 31, 2006 - $nil) on behalf of two companies related by common directors, of which all is outstanding and receivable by the Company as at June 30, 2007.

f) The Company paid $4,973 (2006 - $nil) in interest for loans received from companies with common directors of which all were re-paid.

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

Outstanding Share Data as at June 30, 2007:

	Number outstanding	**Exercise Price**	**Expiry Date**
Common shares	21,961,303		
Common shares issuable on exercise:			
Stock options	861,600	$0.15	January 31, 2012
Stock options	45,000	$0.31	May 4, 2012
Share purchase warrants – Agent's warrants	50,000	$0.15	March 1, 2008
Share purchase warrants	620,226	$0.40	May 31, 2008
Share purchase warrants – Broker's warrants	215,331	$0.40	May 31, 2008
Share purchase warrants	1,010,422	$0.50	May 31, 2008

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, GST recoverable, loans receivables from related parties, pre-paid expense, accounts payable and accrued liabilities, and accounts payable to related parties. 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 due to their short-term maturity capacity for prompt liquidation.

Risks and Uncertainties

The Company is engaged in the exploration of mineral deposits. The Company's financial success will be dependent upon the discovery or acquisition of mineral resources and mineral reserves. These activities involve significant risks which are even with careful evaluation, experience and knowledge may not, in some cases, be eliminated.

The following are some of the key risks and uncertainties identified; however, there may be other risks and uncertainties that have not been listed:

- The high degree of volatility in the prices of rock aggregates and metal commodities;
- The demand of commodities can be dependent on global consumption;
- An increasing competition to acquire mineral properties throughout the world;
- No assurance about the economic viability, it is speculative;
- Geology is a field subject to different interpretations that could affect the success of any exploration and development program;
- Exploration and access to the property can be restricted by unexpected and unusual weather conditions such as floods, forest fires, blockades or other natural and environmental occurrences, which are beyond the Company's control;
- Additional costs can be incurred such as availability of experts, work force and equipments;
- Additional expenditures will be required to establish resources or reserves on mineral properties, if nay resources or reserves exist on the properties;
- The rights to the mineral properties must be maintained in accordance with various regulations and agreements;
- There are various government and environmental regulations that must be followed by the Company, which are changing constantly.

Future Developments

The Company will continue to pursue the development of its projects and its efforts to secure further mineral resource opportunities with its business alliance partners.

Forward looking statements

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates", "plans" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward- looking statements. Forward-looking statements are statements that are not historical facts, and include but not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the markets for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult and generally beyond the control of the Company. If risks and uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors are cautioned not to place undue reliance on such forward-looking statements.

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on that evaluation, management has concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Internal controls over financial reporting

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under Multilateral Instruments 52-109 for the period ended June 30, 2007. The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has responsibility for developing and implementing the Company's approach to governance issues. Committees of the Board presently consist of an Audit Committee, an Advisory Committee, an Exploration Committee, and an Environmental Committee. Based on the evaluation, management has concluded that the design of these internal controls and procedures over financial reporting was effective.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com). No securities commission or regulatory authority has reviewed the accuracy of the information presented herein.

"Dieter Peter"

On behalf of the Board
Dieter Peter, Chairman and CEO
August 22, 2007