

GREAT WESTERN MINERALS GROUP LTD.
FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2006

The following discussion of the financial condition, changes in financial condition and results of operations of the Company for the six months ended June 30, 2006 should be read in conjunction with the audited consolidated financial statements of the Company as at December 31, 2005.

Dated: August 30, 2006

Overall Performance:

The six-month period ended June 30, 2006, saw the Company continuing significant spending in advancing its mineral properties. Capital expenditures of approximately \$1,171,184 were made on exploration and development work on the Company's mineral properties. The period also saw the full operation of Great Western Technologies Inc. ("GWTI") reflected in the financial statements. During the period the Company closed private placement financings for proceeds of \$175,200.

Expenses increased \$1,148,748 and totaled \$1,926,552 compared to \$777,804 for the six months ended June 30, 2005. Most of this increase was due to the increase in operating expenditures associated with GWTI's operations in Troy, Michigan, but a \$327,000 stock based incentive expense also contributed to the increase. Revenues were significantly higher at \$269,933 than the same period last year which were \$3,755. This was also due to the operations of GWTI. After booking a non-cash recovery for future income taxes of \$585,786, the net loss for the period was \$1,418,144 compared to \$774,049 for the same period last year.

Exploration was focused on the Company's 100%-owned Hoidas Lake rare earth project. Infill drilling was continued in the winter 2005-2006 work program on the JAK Zone and parallel structures where an additional 22 drill holes were completed. There are now ninety-two drill holes totaling 8,500 metres completed in the JAK Zone and immediate area, with the discovery of significant new parallel zones. Assays and geological data from the first seventy drill holes on the project were compiled for input into a 43-101 compliant resource model completed by Wardrop Engineering Inc. This report was delivered in March 2006 with the recommendation that the project proceed to prefeasibility. Assays from the remaining 22 drill holes have now been received and Wardrop is now updating the 43-101 compliant resource model. Much of the environmental baseline work on the project has now been completed by Golder Associates.

The Chuckwalla copper/gold/silver project in California also received some attention with the extension of the ground geochemical survey, ground geophysical survey and Mobile Metal Ion surveys. Drill targets have been identified and permitting is pending. Additional staking was also completed increasing the size of the property to cover geochemically anomalous areas.

A new project called Copper Hill, in southern Nevada, was acquired and work commenced during the period to delineate a porphyry molybdenum/copper target and high-grade gold targets.

Risk Factors

Because of the nature of mineral exploration and development, the securities of the Company must be considered speculative. The following should be considered by prospective investors:

- ***Mineral Exploration and Development***

Mineral exploration and development involve a high degree of risk, and few properties ever advance to commercial production. There is no assurance that even if a body of commercial ore is discovered on the Company's properties ("Properties"), a mine will be brought into commercial production. The feasibility of developing a mineral deposit, once discovered, is dependent on a number of factors, including the particular attributes of the deposit such as size, grade, proximity to infrastructure, commodity prices and government regulations.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors which are beyond its control.

- ***Economics of Developing Mineral Properties***

Substantial expenditures are required to establish ore reserves through drilling, to develop the appropriate metallurgical processes to economically extract the metals or elements from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be present in sufficient quantities and grades to justify these development expenditures or that the funds required can be obtained in a timely fashion.

The marketability of any minerals discovered may be affected by numerous factors beyond the Company's control and which cannot be predicted, such as commodity prices and market fluctuations, proximity to markets, government regulations including regulations relating to trade and the environment, and competition. Should pricing and operating cost factors move adversely, the Company may determine that it is not commercially feasible to commence or continue commercial production.

- ***Government Regulations and Environmental Factors***

The exploration, development and mining of the Properties will be affected to varying degrees by: government regulations relating to environmental protection and worker health and safety; mining law; taxes and tariffs; land use; and aboriginal land claims. All regulation impacts the economic viability of carrying out exploration and mining activities and any amendments or changes to existing laws and regulations could have a material adverse affect on the Company's operations and prospects.

- ***Aboriginal Rights***

The Company is not aware of any aboriginal land claims with respect to the Properties; however, there is no assurance that such claims will not be asserted in the future. The Company believes in and is supportive of cooperative relationships with indigenous people in conducting exploration and development activities, and recognizes the mutual benefit in such cooperation.

- ***Additional Funding***

The Company does not currently have sufficient financial resources to undertake by itself all of its planned exploration and possible development programs. The exploration and subsequent development of the Properties may therefore depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on the Properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible loss of the Company's interest in the Properties.

- **Competition**

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire, explore and develop properties in the future.

- **Management**

The Company currently has four employees and its affairs are managed mainly by its officers with the assistance of its non-executive directors and independent consultants. Development of the Company will be dependent upon it having the funds necessary to, and being successful in, employing and retaining skilled personnel.

The ability of the Company to realize its goal of becoming a North American producer of rare earth element products is dependent on its ability to raise capital to finance the development of the Hoidas Lake property to where it can be demonstrated that the project will generate the internal rate of return demanded for a positive production decision and then raise the capital required to construct and run the mine until commercial production is achieved.

The viability of the Hoidas Lake project very much depends on the ability of the Company to establish markets for its rare earth products in an industry currently controlled by Chinese producers.

Selected Annual Information

The following table presents financial data for the years ended December 31:

	2005	2004	2003
	\$	\$	\$
Total revenues	11,860	3,206	nil
Net loss	725,354	2,705,236	275,693
Loss per share*	0.02	.09	.01
Total assets	9,308,581	4,828,148	4,271,687
Long-term liabilities	303,056	207,200	87,671
Cash dividends	nil	nil	nil

*basic and diluted

Revenues increased from 2003 to 2004 and through 2005, due to interest earned on proceeds from financings on deposit. Net losses increased dramatically from 2003 to 2004 due to the write down of the Candle Lake diamond properties when they were transferred to Great Western Diamonds Corp. In 2005, the total asset figure increased significantly from 2004 mainly because of completed financings resulting in an increased cash position, increased expenditures on

mineral properties and the purchase of specialty metal production plant assets. Long-term liabilities increased in 2005 due to the issuance of convertible debentures with respect to the purchase of the production plant assets.

Results of Operations

As discussed previously, this fiscal six month period saw the Company continuing to advance its mineral projects as well as start commercial operations through the Company's subsidiary Great Western Technologies Inc.

Operating costs increased approximately 421% during the period to \$1,559,552 compared to \$370,854 for the same period last year. Administration, management and consulting fees increased to \$278,561 from \$161,758 for the same period in 2005. This was mainly due to the startup of commercial operations in the Troy, Michigan plants of GWTI and to a lesser degree the addition of personnel at Head Office in Saskatoon. Travel expenses increased to \$117,742 from \$34,942 for the same period in 2005 due to increased promotional activities. Investor relations and advertising totaled \$90,443 for the 2006 period compared to \$84,634 for the same period last year. Professional fees decreased to \$41,355 from \$57,751 in the same period in 2005. The net loss figure was further increased by recording the Company's share of losses in its other subsidiary, Great Western Diamonds Corp. ("GWDC") and then the loss reduced by \$585,786 due to recording a provision for the recovery of future income taxes. The net loss, then for the first six months of 2006 was \$1,418,144 compared to \$774,049 for the same period in 2005.

The Company's cash position increased to \$905,842 at June 30, 2006 from \$628,313 at June 30, 2005. Overall current assets decreased to \$1,180,185 at June 30, 2006 compared to \$1,585,036 at December 31, 2005, and current liabilities decreased to \$508,106 at the end of June 2006 compared to \$786,770 at December 31, 2005. As a result, working capital decreased to \$672,079 at June 30, 2006 from \$798,266 at December 31, 2005.

Projects

- ***Hoidas Lake Rare Earth Project***

The Company currently holds a 100% interest in the Hoidas Lake rare earth property subject to a 1.8% gross royalty capped at \$1,000,000, payable to the original prospector.

The property comprises 13 mineral dispositions totaling 10,188 ha, and covers over 30 known rare earth showings.

Refined rare-earths are high-value products used as catalysts and in high-technology applications that utilize the rare-earths' unique and exceptional magnetic, optical and electronic properties. In particular, they are critical to many alternate energy applications including fuel cells, rechargeable batteries, hydrogen storage materials and permanent magnets.

Since 2001, the Company has completed 92 drill holes on the JAK Zone, and immediate area, totaling 8,500 metres. The drill results, with drill hole spacing at approximately 25 metre centres and over a 700 metre strike-length, have confirmed multiple parallel zones of high-grade rare earth mineralization.

During the year the Company commissioned a Resource Model and Technical Report on the Hoidas Lake Rare Earth Project from Wardrop Engineering Inc. ("Wardrop"). The

report, received in March 2006, is in compliance with National Instrument 43-101 of the Ontario Securities Commission. The report was, in Wardrop's words, "undertaken for the furtherance of prefeasibility and feasibility studies for an economic recovery of the rare earth and related elements from Hoidas Lake". Wardrop concludes: *"It is recommended that the present course of action by Great Western Minerals Group be continued, with a focus on metallurgical work for the development of a suitable product for consumption, by its subsidiary Great Western Technologies"*.

Resource Estimate

The resource model is based on data from 12 surface trenches and 70 core holes along a zone striking in excess of 700 metres and open at a depth of 125 metres. A number of veins were identified during the geological interpretation and, for the purposes of the Technical Report, were designated JAK zone veins A through H. The resource estimate used ordinary kriging, nearest neighbour, and inverse distance interpolation methods, with the ordinary kriging values used for reporting. Based on preliminary economics generated by the Company, a cut-off grade of 1.5% total rare earth elements ("TREE") was applied for summary reporting purposes. The resource model uses the assay data provided by the Company, but based on their independent check assays Wardrop concludes: "Testing of that data suggests the assay results may be low, which would result in underestimation of the contained units of REEs in the model." The tabulated resource data for the Hoidas Lake JAK Zone as calculated by Wardrop is as follows:

Category	Cut-Off Grade WT.% TREE + Y	Tonnes	TREE + Y WT.%	TREO + Y2O3 WT.%
Measured	1.5	123,000	2.466	2.956
Indicated	1.5	430,000	2.305	2.762
Inferred	1.5	812,000	2.039	2.445

*Total Rare Earth Oxide-calculated from TREE for comparison purposes.

Metallurgical test work on the Hoidas Lake mineralization is being carried out at the Center for Advanced Mineral & Metallurgical Processing ("CAMP"), located in Butte, Montana, under the direction of Melis Engineering Ltd. ("Melis"). The REEs at Hoidas Lake are hosted in the phosphate mineral apatite and the silicate mineral allanite. Previous work identified three possible flow sheets for mineral processing of the rare earth minerals and demonstrated that the mineral assemblages are amenable to acid leaching. Recent work has focused on exploring whether the rare earth values can be upgraded during beneficiation using techniques such as flotation as a possible process step ahead of the hydrometallurgical extraction (leaching). Results have confirmed that the phosphate (apatite) can be separated from the silicates (allanite) by flotation. Further flotation tests are now underway as well as exploring whether heavy liquid separation and magnetic separation could be useful in beneficiation. Hydrometallurgical testing will be initiated to determine the extraction efficiencies of the different lixivants (both acids and bases) on the different concentrates, tails and "whole ore".

During the period the Company completed 22 additional drill holes on the JAK Zone and parallel structures. The assays from sampling the core from these holes

was received subsequent to the period end and the results have been compiled and delivered to Wardrop for an updated resource calculation. Selected results are tabled below:

Drill Hole No. (°Dip)	Grid Location	Intersection True Width (m)	Average Assay % TREO*	Intersection Depth From Surface (m)
HL06-71 (-54)	2+50N 60E	1.94	1.19	30
		7.73	1.79	85
HL06-72 (-54)	3+75N 05E	1.77	2.89	4
		9.80	2.25	25
incl		5.10	3.51	
HL06-73 (-55)	3+50N 05E	0.96	1.69	10
		6.31	1.83	25
HL06-74 (-61)	3+75N 50E	2.94	2.37	40
		7.66	2.20	90
HL06-75 (-61)	4+25N 10E	2.57	2.64	45
		7.22	3.49	60
incl		5.31	4.04	
HL06-76 (-60)	4+50N 15W	9.01	4.48	30
incl		6.40	5.51	
		5.49	1.86	45
HL06-77 (-60)	4+50N 25E	9.05	1.66	15
		4.37	2.15	65
HL06-78 (-59)	4+25N 75E	2.89	0.42	60
HL06-79 (-60)	4+75N 25W	2.68	2.64	10
		4.37	3.44	20
HL06-80 (-62)	4+75N 20E	3.94	2.31	60
		4.54	3.83	70
HL06-81 (-63)	5+00N BL	4.53	1.57	45
		5.45	1.80	60
HL06-82 (-63)	5+25N 10W	6.00	3.69	30
		6.71	3.27	45
incl		4.62	4.37	
		3.23	6.65	65
HL06-83 (-63)	5+50N 30W	2.14	3.96	50
HL06-84 (-61)	5+75N 20W	12.86	2.49	50
incl		7.28	3.36	
HL06-85 (-63)	4+50N 65E	7.93	2.76	90
		6.29	2.52	105
incl		2.94	5.01	
		16.77	2.01	125
incl		4.86	3.38	

During 2005, Golder Associates were engaged as environmental managers on the project. To date, most of the environmental baseline field work has been completed, with the exception of air quality and some terrestrial studies which are currently underway.

The Hoidas Lake project is a significant rare earth discovery and one of the world's few primary rare earth deposits. Management intends to proceed to the final feasibility stage with the project and a production decision. Currently the project is 24 to 36 months away from completion of a final feasibility study and the completion of an Environmental Assessment Study. Approximately \$3.5 million has been spent on exploration to date and it is anticipated that another \$7 million will be required to complete a final feasibility study and Environmental Assessment Study.

- ***Chuckwalla Gold/Copper Project***

The Company has an option to earn a 100% interest in 55 claims in San Bernardino County in California by carrying out exploration work and making a series of payments to the vendor over a period of time.

In the early 1990s, Santa Fe Pacific Gold Corporation held the property and outlined 2 target areas for further work. The "North Fanglomerate Block A" target was described by Santa Fe as having a tonnage potential of 20 million tons grading 3.7% copper using a 0.5% cutoff and the "South Andesite Block B" was presented as having a tonnage potential of 6 million tons with the same grade as Block A. In addition to high-grade copper the target blocks also contain high-grade gold values which Santa Fe noted but did not quantify in terms of an average for the two target blocks. The highest gold assay reported by Santa Fe was 0.96 ounces per ton and 26% of their initial chip sampling program over the property averaged 0.19 ounces per ton gold. Santa Fe completed a Plan of Operations to permit an extensive drill program, but the program was never carried out, reportedly due to the takeover discussions in progress with Newmont Mining.

In August 2004, the Company visited the property and took random samples from the old surface trenches and obtained the following results:

Target Type	Copper (%)	Silver (ounces per ton)	Gold (ounces per ton)
Fanglomerate	4.13	40.15	0.002
Fanglomerate	3.72	13.49	0.003
Andesite	0.20	0.03	0.110
Andesite	10.30	17.14	0.267
Andesite	3.36	0.60	0.034

In 2004, the Company established 50 km of surface grid at Chuckwalla and undertook an extensive ground geochemical survey. Approximately 1,245 samples were taken and submitted to the ALS Chemex laboratory in Reno, Nevada for analysis. The results for copper have been plotted and two large areas, overlying a fanglomerate rock type, exhibit highly anomalous copper-in-soil values. The Black Calcite area measures 300 m by 200 m with in-soil values up to 2,510 ppm Cu. The Big Boy area measures 450 m by 175 m with in-soil values to 3,220 ppm Cu. Both areas trend off the grid and may be significantly larger. Plans are underway to extend the grid and expand the sampling program.

Geological mapping and sampling in 2005 resulted in the discovery of several new showings at Chuckwalla.

One new zone located 125 m west of the Big Boy Zone consists of copper oxide mineralization within a fanglomerate rock type. Grab samples from this occurrence returned:

Sample	% Copper	Silver g/t (oz/ton)	Gold g/t (oz/ton)
#782194	3.7	345.00 (10.07)	0.25 (0.007)
#782195	3.5	587.00 (17.14)	0.21 (0.006)

A second new copper-oxide zone, also in fanglomerate, was located 250 m southwest of Big Boy returning the following assay results:

Sample	% Copper	Silver g/t (oz/ton)	Gold g/t (oz/ton)
#782196	2.2	10.00 (0.29)	10.85 (0.32)
#782197	2.1	10.00 (0.29)	15.15 (0.44)
#782198	2.0	11.00 (0.32)	15.40 (0.45)

A third new fanglomerate-hosted copper-oxide zone, the 4500 Zone, 500 m east of Big Boy, was weakly mineralized and chip samples across a cliff face returned values of:

Sample	Width (m)	% Copper	Silver g/t (oz/ton)	Gold g/t (oz/ton)
Cliff face chip	5.5	0.21	2.72 (0.08)	0.54 (0.02)

Two trenches in known showings at Big Boy were also sampled. At the Big Boy adit, vertical and horizontal samples were taken, and at a trench 140 m north of Big Boy, returning values of:

Sample	Width (m)	% Copper	Silver g/t (oz/ton)	Gold g/t (oz/ton)
Horizontal	3.5	0.95	2.43 (0.07)	1.29 (0.040)
Vertical	2.2	0.77	1.41 (0.04)	0.77 (0.02)
N. Trench	4.8	1.18	2.31 (0.07)	0.34 (0.01)

Based on the geochemistry and sampling results, drill targets have been selected and application for drill permits has been made. Once the permits have been received, drilling will commence.

- ***Copper Hill***

In December 2005, the Company entered into an Option Agreement to earn a 100% interest in 12 mineral claims (the “Copper Hill” project) in southern Nevada, with a subsequent interest for an additional 92 claims. The interest can be earned by making an initial US\$35,000 payment and issuing 100,000 common shares of the Company and subsequent payments totaling US\$150,000 over the next two years, followed by US\$250,000 annual payments until the property is placed into production at which time the Optionor will receive the greater of US\$250,000 annually or a sliding scale Net Smelter Returns royalty ranging from 2% to 4% based on metal prices. The Optionor will also receive 600,000 common shares over three years (if the Option Agreement is still in effect) and 500,000 common shares on a positive production decision.

Previous work on the Copper Hill project identified the potential for a porphyry-type system hosting copper, molybdenum and gold. While drilling for gold in the early 1980s, a drill hole intersected 405 feet (123.5 metres) of diatreme material, yielding significantly anomalous copper values. Values increased down the drill hole with the bottom 50 feet (15.2 metres) assaying 0.15% copper. The drill hole also contained anomalous molybdenum values. Geology reports from the drill program suggest that the diatreme may represent a dyke-like feature extending out from a major porphyry body.

The Copper Hill property also covers several former producing gold mines. These were all mined near surface, and there is excellent potential for a significant bonanza gold target at depth. Drilling on the property in the mid-1990s, intersected high-angle quartz veins with values as high as 0.23 opt (8 gpt) and 0.32 opt (11.0 gpt) gold over 9.8 feet (3.0 metres) in each intersection. The area has produced over 500,000 ounces of gold from these workings.

During the period, ground geophysics, ground geochemistry and Mobile Metal Ion surveys were carried out on the property in conjunction with a remote sensing study designed to detect areas of mineral alteration consistent with porphyry copper systems.

- ***Great Western Technologies Inc.***

In December 2005, the Company incorporated a US subsidiary called Great Western Technologies Inc. (“GWTI”). Through GWTI, the Company signed a formal Purchase Agreement with Energy Conversion Devices Inc. (“ECD”), (NASDAQ: ENER) and an affiliate, whereby GWTI purchased certain specialty metal production assets located in Troy, Michigan. The production equipment, located in two adjacent plants, is capable of producing nickel metal hydride (NiMH) powder, used in hydrogen storage materials and NiMH rechargeable batteries, and a range of other specialty metals, powders and super alloys. The plants are currently in operation.

The purchase price was US\$1.3 million, of which ECD will receive US\$906,000.00, payable in installments over two years, with ECD and its affiliate each having the option of converting half the purchase price into common shares of GWMG.

GWTI will form the basis of GWMG’s marketing strategy for specific products it expects to produce from the Hoidas Lake deposit. Cerium and lanthanum are two of the key rare-earth elements present at Hoidas Lake and are critical components of NiMH powder for use in rechargeable batteries. NiMH rechargeable batteries are used in a variety of applications including electric and hybrid electric vehicles. The hybrid and alternate energy vehicle market, in particular, is one area where GWTI plans to focus product and marketing efforts.

GWTI commenced commercial operations January 1, 2006, and is currently supplying product to various customers.

Summary of Quarterly Results

The following table represents selected financial information for the eight most recently completed quarters:

For the quarter ended	Jun.30, 2006	Mar.31, 2006	Dec.31, 2005	Sep 30, 2005	Jun 30, 2005	Mar 31, 2005	Dec 31, 2004	Sep 30, 2004
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	191,836	78,097	5,644	2,461	1,941	1,814	894	2,312
Net gain/(loss)	(1,144,092)	(274,052)	260,024	(172,611)	(663,256)	(110,793)	(2,236,275)	(199,412)
Gain/(Loss) per share	(0.021)	(.005)	.004	(.004)	(.02)	(.003)	(.07)	(.006)

All data is in Canadian dollars prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis.

Increased revenue for the 2nd quarter of 2006 is due to operations of GWTI.

The increased loss for the 2nd quarter in 2006 is also due mainly to the startup of commercial operations of GWTI in Troy, Michigan.

Liquidity and Capital Resources

The ability of the Company to continue as a going concern is dependent on its ability to continuously raise capital to finance its exploration and development activities.

During the six months of 2006, the Company's working capital position decreased to \$672,079 from \$798,266 at December 31, 2005. The Company has completed financings for approximately \$ 475,000 during the first six months of 2006 that permitted the Company to continue its work programs on all projects. Total assets increased slightly (5.5%) to \$9,352,363 at June 30, 2006 from \$9,308,581 at December 31, 2005.

The Company is required to spend \$12 per hectare (\$25 per hectare after the 10th year) on its Saskatchewan mineral dispositions on approved exploration work to keep the properties in good standing. The Hoidas Lake project requires annual expenditures of \$122,256 to keep 13 claims in good standing. The Chuckwalla claims in the US require US\$5,500 annually to maintain 55 claims in good standing, and the Copper Hill claims require US\$10,400 annually to maintain 104 claims in good standing.

The Company also has office lease payments of \$23,802 remaining in 2006.

Related Party Transactions

For the six months ended June 30, 2006, the Company paid \$148,700 (2005-\$51,645) in management and consulting fees to directors, officers and companies controlled by common directors.

Changes in Accounting Policy

Effective January 1, 2004, the Company records the compensation expense on the grant of stock options to employees based on the fair value method, under which compensation expense is determined on the estimated fair value of the options as determined at the date of the grant. During the six months ended June 30, 2006 there were 1,000,000 stock options granted, and the calculated expense attributed to stock options was \$327,000 (June 30, 2005-\$406,950).

Additional Data

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Details of deferred exploration and development expenditures, by property, and details of general and administrative expenses can be found in the Notes to the Consolidated Financial Statements for the periods ended December 31, 2005 and December 31, 2004.

Outstanding Share Data

Share capital

Authorized 100,000,000 common shares,
without par value

Issued

	<u>Common Shares</u>	<u>Share Capital</u>
Balance, December 31, 2002	24,100,891	\$ 9,056,644
Issued for mineral properties	530,000	104,000
Issued for cash		
Exercise of options	<u>350,000</u>	<u>100,000</u>
Balance, December 31, 2003	24,980,891	\$ 9,260,644
Issued for mineral properties	1,150,000	305,000
Issued for cash		
Private placements	12,764,926	2,971,971
Exercise of warrants	10,000	4,000
Fair value of options		
Exercised	-	5,970
Issue costs	<u>-</u>	<u>(265,274)</u>
Balance, December 31, 2004	38,905,817	\$ 12,282,311
Issued for mineral properties	150,000	305,000
Issued for cash		
Private placements	10,408,028	4,053,493
Exercise of options	175,000	34,250
Exercise of warrants	1,071,828	413,142
Issued for mineral properties	150,000	-
Issue costs	<u>-</u>	<u>(796,261)</u>
Balance, December 31, 2005	<u>50,710,673</u>	<u>\$ 16,097,579</u>
Issued for mineral properties & assets	367,500	162,350
Issued for cash		
Private placements	438,000	175,200
Exercise of warrants	5,959,652	1,679,089
Exercise of options	350,000	78,750
Fair value of options exercised	-	-
Issue costs	<u>-</u>	<u>(720,737)</u>
Balance, June 30, 2006	<u>57,825,825</u>	<u>\$ 17,472,231</u>