

5206039  
\$ 1,095,041.25  
May 31, 2007

**Form 45-106F1**  
**Report of Exempt Distribution**

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

**Item 1:** **NASS VALLEY GATEWAY LTD.**  
Suite 575 – 1111 West Hastings Street  
Vancouver, BC V6E 2J3  
Telephone: (604) 685-4170

**Item 2:** The Issuer is a reporting issuer in British Columbia and Ontario.

**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

☐ Bio-tech

Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ Forestry

☐ Hi-tech

☐ Industrial

Mining

☒ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☐ Other (describe)

**Details of distribution**

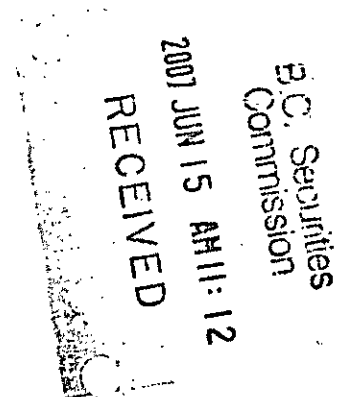
**Item 4:** Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

**Item 5:** State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

**May 31, 2007**

**Item 6:** For each security distributed:

- (a) describe the type of security,  
**Units**



- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

**1,240,454 Units at \$0.28 per Unit. Each Unit consists of one common share (a "Unit Share") and one half transferable common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to purchase one common share (a "Warrant Share") at a price of \$0.40 per Warrant Share for a period of one year from date of issuance of the Warrants.**

**2,020,849 Units at \$0.37 per Unit. Each Unit consists of one common share (a "Unit Share") and one half transferable common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to purchase one common share (a "Warrant Share") at a price of \$0.50 per Warrant Share for a period of one year from date of issuance of the Warrants.**

- (c) state the exemption(s) relied on.

**NI 45-106 (S. 2.3) and (S. 2.5)**

**Item 7:** Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	30	\$0.28 per unit	\$186,327.12
British Columbia	32	\$0.37 per unit	\$707,014.13
Alberta	1	\$0.28 per unit	\$28,000.00
Alberta	1	\$0.37 per unit	\$3,700.00
Manitoba	1	\$0.28 per unit	\$14,000.00
Ontario	1	\$0.37 per unit	\$37,000.00
Mexico	1	\$0.28 per unit	\$7,000.00
Switzerland	1	\$0.28 per unit	\$84,000.00
New Zealand	1	\$0.28 per unit	\$28,000.00
<b>Total number of Purchasers</b>	<b>69</b>		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>\$1,095,041.25</b>

#### Commissions and finder's fees

**Item 8:** Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a

similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Canaccord Capital Corporation 2200 – 609 Granville Street Vancouver, B.C. V7Y 1H2	\$24,496.48	94,581 Broker Warrants <sup>(1)</sup>	\$0.40	BC Securities Act (S. 74 (2)(23))	\$24,496.48
Blackmont Capital Corp. Suite 400 – 550 Burrard Street Five Bentall Centre Vancouver, BC V6C 2B5	\$25,147.50	114,000 Broker Warrants <sup>(1)</sup>	\$0.40	BC Securities Act (S. 74 (2)(23))	\$34,650
Pacific International Securities 1900-666 Burrard Street Vancouver, B.C. V6C 3N1	\$1,748.25	6,750 Broker Warrants <sup>(1)</sup>	\$0.40	BC Securities Act (S. 74 (2)(23))	\$1,748.25

- 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. The Broker Warrants are also subject to a hold period and may not be traded in British Columbia until October 1, 2007 except as permitted by the applicable Securities Acts and the Rules made thereunder and the CNQ.

**Item 9:** If a distribution is made in Ontario, please include the attached “Authorization of Indirect Collection of Personal Information for Distributions in Ontario”. The “Authorization of Indirect Collection of Personal Information for Distributions in Ontario” is only required to be filed with the Ontario Securities Commission.

## Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: June 11, 2007.

NASS VALDEY GATEWAY LTD.

Name of issuer (please print)

Print name, title and telephone number of person signing

Dieter Peter, Chairman & CEO (604) 685-4170

Signature

**Item 10:** State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

## Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

## Authorization of Indirect Collection of Personal Information for Distributions in Ontario

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

- (a) the Ontario Subscribers have been notified by the issuer
  - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,

S206039-2  
CJ2



# NASS VALLEY GATEWAY LTD.

575 -1111 West Hastings Street, Vancouver, B.C. V6E 2J3  
Telephone: (604) 685-4170 Fax: (604) 685-2360 Email: jsee@3xgmm.com

Hand Delivered

June 11, 2007

British Columbia Securities Commission  
701 West Georgia Street  
P.O. Box 10142, Pacific Centre  
Vancouver, B.C. V7Y 1L2

Attention: Ms. Christine Zenith

Dear Christine:


**Re: Report of Exempt Distribution**

We submit herewith Form 45-106F1 Report of Exempt Distribution and our cheque with respect to the applicable filing fee, for your kind attention.

We trust we have complied with your requirements. Please call the undersigned if you have questions on the attached documents.

Yours truly,  
**NASS VALLEY GATEWAY LTD.**

Per:

  
Dieter Peter  
Chairman & CEO

